



Reprinted  
February 22, 2008

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## ENGROSSED HOUSE BILL No. 1125

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DIGEST OF HB 1125 (Updated February 21, 2008 3:03 pm - DI 73)

**Citations Affected:** IC 6-1.1; IC 6-2.5; IC 6-3; IC 6-3.1; IC 6-6; IC 6-8; IC 6-8.1; IC 9-14; IC 9-17; IC 9-18; IC 9-29; noncode.

**Synopsis:** Taxation. Provides that for taxable years beginning after December 31, 2007, references in Indiana law to the Internal Revenue Code and related regulations refer to the law and regulations in effect on January 1, 2008. Provides that recreational vehicles and truck campers are subject to an excise tax instead of the property tax on personal property beginning January 1, 2010. Makes an appropriation. Excludes from state adjusted gross income any amount of the credit (including an advance refund of the credit) that is provided to an individual under the federal Economic Stimulus Act of 2008 and included in the individual's federal adjusted gross income. Exempts certain nonbusiness personal property from property taxation. Specifies that the bureau of motor vehicles shall adopt rules establishing an excise tax rate for that exempted nonbusiness personal property. Provides that property, revenues, expenditures, and transactions of the  
(Continued next page)

**Effective:** January 1, 2008 (retroactive); July 1, 2008; January 1, 2009.

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**Goodin**

(SENATE SPONSORS — KENLEY, SIMPSON)

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January 8, 2008, read first time and referred to Committee on Ways and Means.  
January 16, 2008, reported — Do Pass.  
January 24, 2008, read second time, amended, ordered engrossed.  
January 25, 2008, engrossed.  
January 29, 2008, read third time, passed. Yeas 88, nays 3.

**SENATE ACTION**

January 29, 2008, read first time and referred to Committee on Tax and Fiscal Policy.  
February 12, 2008, amended, reported favorably — Do Pass.  
February 21, 2008, read second time, amended, ordered engrossed.

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EH 1125—LS 6455/DI 114+



NFL or the NCAA in connection with a Super Bowl or a men's or women's Final Four conducted after December 31, 2011, are exempt from taxation in Indiana for all purposes and that those events are exempt from the Marion County admissions tax. (Current law applies only to the Super Bowl that was described in a bid specification document dated October 2006.) Extends until December 31, 2011 (instead of December 31, 2008) the sales tax exemption for property directly used in qualified media productions. For purposes of the media production expenditure tax credit: (1) makes certain changes to the expenditures that are eligible for the credit; (2) adds affiliated groups to the definition of a taxpayer; (3) reduces the threshold at which Indiana economic development corporation approval is required; (4) makes changes to the maximum amount of the credit that may be claimed; and (5) provides that a taxpayer may not claim a refund, carryover, or carryback of any unused credit.

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Reprinted  
February 22, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1125

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-1-11, AS AMENDED BY P.L.214-2005,  
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2009]: Sec. 11. (a) Subject to the limitation contained in  
4 subsection (b), "personal property" means:

- 5 (1) nursery stock that has been severed from the ground;
- 6 (2) florists' stock of growing crops which are ready for sale as pot  
7 plants on benches;
- 8 (3) billboards and other advertising devices which are located on  
9 real property that is not owned by the owner of the devices;
- 10 (4) ~~motor vehicles~~; mobile houses **and** airplanes; ~~boats not subject~~  
11 ~~to the boat excise tax under IC 6-6-11; and trailers not subject to~~  
12 ~~the trailer tax under IC 6-6-5;~~
- 13 (5) foundations (other than foundations which support a building  
14 or structure) on which machinery or equipment is installed; and  
15 (6) all other tangible property (other than real property) which is  
16 being:  
17 (A) held for sale in the ordinary course of a trade or business;

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- 1 (B) held, used, or consumed in connection with the production  
 2 of income; or  
 3 (C) held as an investment.

4 (b) Personal property does not include the following:

- 5 (1) Commercially planted and growing crops while they are in the  
 6 ground.  
 7 (2) Computer application software that is not held as inventory (as  
 8 defined in IC 6-1.1-3-11).

9 SECTION 2. IC 6-1.1-2-7 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. The following  
 11 property is not subject to assessment and taxation under this article:

- 12 (1) A commercial vessel that is subject to the net tonnage tax  
 13 imposed under IC 6-6-6.  
 14 (2) A motor vehicle or trailer that is subject to the annual license  
 15 excise tax imposed under IC 6-6-5.  
 16 (3) A boat that is subject to the boat excise tax imposed under  
 17 IC 6-6-11.  
 18 (4) Property used by a cemetery (as defined in IC 23-14-33-7) if  
 19 the cemetery:

20 (A) does not have a board of directors, board of trustees, or  
 21 other governing authority other than the state or a political  
 22 subdivision; and

23 (B) has had no business transaction during the preceding  
 24 calendar year.

25 (5) A commercial vehicle that is subject to the annual excise tax  
 26 imposed under IC 6-6-5.5.

27 **(6) A recreational vehicle or truck camper that is subject to**  
 28 **the annual excise tax imposed under IC 6-6-5.1.**

29 **(7) Truck bodies (including truck campers), all-terrain**  
 30 **vehicles (ATVs), motorhomes, fifth wheel trailers, travel**  
 31 **trailers, trailers, snowmobiles, rowboats, canoes, and other**  
 32 **nonmotorized boats (other than sail boats).**

33 SECTION 3. IC 6-1.1-2-7.1 IS ADDED TO THE INDIANA CODE  
 34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 35 JANUARY 1, 2009]: **Sec. 7.1. Except as otherwise provided, the**  
 36 **bureau of motor vehicles shall adopt rules establishing an excise**  
 37 **tax rate for the items listed in section 7(7) of this chapter.**

38 SECTION 4. IC 6-2.5-5-41, AS AMENDED BY P.L.235-2007,  
 39 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 JULY 1, 2008]: Sec. 41. (a) As used in this section, "qualified media  
 41 production" has the meaning set forth in IC 6-3.1-32-5.

42 (b) Except as provided in ~~subsections~~ **subsection** (d), ~~and (e)~~, a

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transaction involving tangible personal property is exempt from the state gross retail tax if the person acquiring the property acquires it for the person's direct use in a qualified media production in Indiana after December 31, 2006.

(c) For purposes of this section, the following are not considered to be directly used in the production of a qualified media production:

(1) Food and beverage services.

(2) A vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.

(3) Fuel, parts, supplies, or other consumables used in a vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.

(4) Lodging.

(5) Packaging materials.

(d) A person is not entitled to an exemption under this section with respect to a transaction involving tangible personal property that is:

(1) a qualified production expenditure (as defined in IC 6-3.1-32-6) for which a tax credit is claimed under IC 6-3.1-32; or

(2) acquired for direct use in a qualified media production in Indiana if the transaction occurs after December 31, ~~2008~~ **2011**.

SECTION 5. IC 6-3-1-3.5, AS AMENDED BY P.L.144-2007, SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

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- 1 (A) each of the exemptions provided by Section 151(c) of the  
 2 Internal Revenue Code;  
 3 (B) each additional amount allowable under Section 63(f) of  
 4 the Internal Revenue Code; and  
 5 (C) the spouse of the taxpayer if a separate return is made by  
 6 the taxpayer and if the spouse, for the calendar year in which  
 7 the taxable year of the taxpayer begins, has no gross income  
 8 and is not the dependent of another taxpayer.
- 9 (5) Subtract:
- 10 (A) for taxable years beginning after December 31, 2004, one  
 11 thousand five hundred dollars (\$1,500) for each of the  
 12 exemptions allowed under Section 151(c)(1)(B) of the Internal  
 13 Revenue Code (as effective January 1, 2004); and  
 14 (B) five hundred dollars (\$500) for each additional amount  
 15 allowable under Section 63(f)(1) of the Internal Revenue Code  
 16 if the adjusted gross income of the taxpayer, or the taxpayer  
 17 and the taxpayer's spouse in the case of a joint return, is less  
 18 than forty thousand dollars (\$40,000).
- 19 This amount is in addition to the amount subtracted under  
 20 subdivision (4).
- 21 (6) Subtract an amount equal to the lesser of:
- 22 (A) that part of the individual's adjusted gross income (as  
 23 defined in Section 62 of the Internal Revenue Code) for that  
 24 taxable year that is subject to a tax that is imposed by a  
 25 political subdivision of another state and that is imposed on or  
 26 measured by income; or  
 27 (B) two thousand dollars (\$2,000).
- 28 (7) Add an amount equal to the total capital gain portion of a  
 29 lump sum distribution (as defined in Section 402(e)(4)(D) of the  
 30 Internal Revenue Code) if the lump sum distribution is received  
 31 by the individual during the taxable year and if the capital gain  
 32 portion of the distribution is taxed in the manner provided in  
 33 Section 402 of the Internal Revenue Code.
- 34 (8) Subtract any amounts included in federal adjusted gross  
 35 income under Section 111 of the Internal Revenue Code as a  
 36 recovery of items previously deducted as an itemized deduction  
 37 from adjusted gross income.
- 38 (9) Subtract any amounts included in federal adjusted gross  
 39 income under the Internal Revenue Code which amounts were  
 40 received by the individual as supplemental railroad retirement  
 41 annuities under 45 U.S.C. 231 and which are not deductible under  
 42 subdivision (1).

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(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

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(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

*(23) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.*

~~(23)~~ **(24)** Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.

**(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.**

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed

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or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

*(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined*

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in section 34.5 of this chapter).

~~(10)~~ **(11)** Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year

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under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as

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a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

*(9) Subtract income that is:*

*(A) exempt from taxation under IC 6-3-2-21.7; and*

*(B) included in the insurance company's taxable income under the Internal Revenue Code.*

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

*(7) Subtract income that is:*

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1 (A) exempt from taxation under IC 6-3-2-21.7; and

2 (B) included in the taxpayer's taxable income under the  
3 Internal Revenue Code.

4 (f) This subsection applies only to the extent that an individual paid  
5 property taxes in 2004 that were imposed for the March 1, 2002,  
6 assessment date or the January 15, 2003, assessment date. The  
7 maximum amount of the deduction under subsection (a)(17) is equal  
8 to the amount determined under STEP FIVE of the following formula:

9 STEP ONE: Determine the amount of property taxes that the  
10 taxpayer paid after December 31, 2003, in the taxable year for  
11 property taxes imposed for the March 1, 2002, assessment date  
12 and the January 15, 2003, assessment date.

13 STEP TWO: Determine the amount of property taxes that the  
14 taxpayer paid in the taxable year for the March 1, 2003,  
15 assessment date and the January 15, 2004, assessment date.

16 STEP THREE: Determine the result of the STEP ONE amount  
17 divided by the STEP TWO amount.

18 STEP FOUR: Multiply the STEP THREE amount by two  
19 thousand five hundred dollars (\$2,500).

20 STEP FIVE: Determine the sum of the STEP FOUR amount and  
21 two thousand five hundred dollars (\$2,500).

22 SECTION 6. IC 6-3-1-11, AS AMENDED BY P.L.234-2007,  
23 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JANUARY 1, 2008 (RETROACTIVE)]: Sec. 11. (a) The term "Internal  
25 Revenue Code" means the Internal Revenue Code of 1986 of the  
26 United States as amended and in effect on January 1, ~~2007~~; **2008**.

27 (b) Whenever the Internal Revenue Code is mentioned in this  
28 article, the particular provisions that are referred to, together with all  
29 the other provisions of the Internal Revenue Code in effect on January  
30 1, ~~2007~~; **2008**, that pertain to the provisions specifically mentioned,  
31 shall be regarded as incorporated in this article by reference and have  
32 the same force and effect as though fully set forth in this article. To the  
33 extent the provisions apply to this article, regulations adopted under  
34 Section 7805(a) of the Internal Revenue Code and in effect on January  
35 1, ~~2007~~; **2008**, shall be regarded as rules adopted by the department  
36 under this article, unless the department adopts specific rules that  
37 supersede the regulation.

38 (c) An amendment to the Internal Revenue Code made by an act  
39 passed by Congress before January 1, ~~2007~~; **2008**, that is effective for  
40 any taxable year that began before January 1, ~~2007~~; **2008**, and that  
41 affects:

42 (1) individual adjusted gross income (as defined in Section 62 of

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the Internal Revenue Code);

(2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);

(3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);

(4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);

(5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or

(6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under section 3.5 of this chapter.

SECTION 7. IC 6-3.1-32-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. As used in this chapter, "affiliated group" means any combination of the following:**

(1) An affiliated group within the meaning provided in Section 1504 of the Internal Revenue Code (except that the ownership percentage in Section 1504(a)(2) of the Internal Revenue Code shall be determined using fifty percent (50%) instead of eighty percent (80%)) or a pass through entity if a member of the affiliated group is a shareholder, partner, or member of the pass through entity and the member of the affiliated group is entitled to at least fifty percent (50%) of the distributive income or loss of the pass through entity.

(2) Two (2) or more partnerships (as defined in IC 6-3-1-19), including limited liability companies and limited liability partnerships, that have the same degree of mutual ownership as an affiliated group described in subdivision (1), as determined under rules adopted by the department.

SECTION 8. IC 6-3.1-32-6, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 6. (a) As used in this chapter, "qualified production expenditure" means any of the following expenses incurred in Indiana or expenditures in Indiana made in the direct production of a qualified media production in Indiana:**

(1) The payment of wages, salaries, and benefits to Indiana residents.

(2) Acquisition costs for a story or scenario used in the qualified media production.

(3) Acquisition costs for locations, sets, wardrobes, and

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accessories.

(4) Expenditures for materials used to make sets, wardrobes, and accessories.

(5) Expenditures for photography, sound synchronization, lighting, and related services.

(6) Expenditures for editing and related services.

(7) Facility and equipment rentals.

~~(8) Food and lodging.~~

~~(9)~~ (8) Legal services if purchased from an attorney licensed to practice law in Indiana.

~~(10) Any other production expenditure for which taxes are assessed or imposed by the state.~~

(b) The term does not include expenditures for payments of wages, salaries, or benefits to an individual who is a director, a producer, a screenwriter, or an actor (excluding extras), unless the individual is a resident of Indiana.

SECTION 9. IC 6-3.1-32-8, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. As used in this chapter, "taxpayer" means an individual, **affiliated group**, or entity that has any state tax liability.

SECTION 10. IC 6-3.1-32-9, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. A qualified applicant that

(1) incurs or makes qualified production expenditures; ~~of:~~

(A) ~~at least one hundred thousand dollars (\$100,000); in the case of a qualified media production described in section 5(a)(1) of this chapter; or~~

(B) ~~at least fifty thousand dollars (\$50,000); in the case of a qualified media production described in section 5(a)(2); 5(a)(3); 5(a)(4); or 5(a)(5) of this chapter; and~~

(2) satisfies the requirements of this chapter;

is entitled to a ~~refundable~~ tax credit as provided in this chapter.

SECTION 11. IC 6-3.1-32-10, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. This section applies to a taxpayer that claims qualified production expenditures of less than ~~six two~~ million dollars ~~(\$6,000,000)~~ **(\$2,000,000)** in a taxable year for purposes of the tax credit under this chapter. **Subject to section 14 of this chapter**, the amount of the tax credit to which a taxpayer is entitled under this chapter equals **the lesser of:**

(1) the product of:

~~(1)~~ (A) fifteen percent (15%); multiplied by

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(2) (B) the amount of the taxpayer's qualified production expenditures in the taxable year; or

(2) five thousand dollars (\$5,000).

SECTION 12. IC 6-3.1-32-11, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. This section applies to a taxpayer that claims qualified production expenditures of at least ~~six~~ **two** million dollars (~~\$6,000,000~~) (**\$2,000,000**) in a taxable year for purposes of the tax credit under this chapter. **Subject to section 14 of this chapter**, if the corporation approves the granting of a tax credit to the taxpayer under section 13 of this chapter, the amount of the tax credit to which the taxpayer is entitled under this chapter equals the product of:

(1) the percentage determined by the corporation under section 13 of this chapter; multiplied by

(2) the amount of the taxpayer's qualified production expenditures in the taxable year.

SECTION 13. IC 6-3.1-32-14, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. ~~If~~ The amount of the tax credit provided under this chapter to a taxpayer in a taxable year ~~exceeds~~ **may not exceed** the taxpayer's state tax liability for that taxable year. ~~the A~~ taxpayer is **not** entitled to a **carryback, carryover, or** refund of ~~the excess. any unused credit.~~

SECTION 14. IC 6-6-5.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

**Chapter 5.1. Excise Tax on Recreational Vehicles and Truck Campers**

**Sec. 1. This chapter does not apply to the following:**

(1) A vehicle subject to the motor vehicle excise tax under IC 6-6-5.

(2) A vehicle owned or leased and operated by the United States, the state, or a political subdivision of the state.

(3) A mobile home.

(4) A vehicle assessed under IC 6-1.1-8.

(5) A vehicle subject to the commercial vehicle excise tax under IC 6-6-5.5.

(6) A trailer subject to the annual excise tax imposed under IC 6-6-5-5.5.

(7) A bus (as defined in IC 9-13-2-17(a)).

(8) A vehicle owned or leased and operated by a postsecondary educational institution (as described in

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1 IC 6-3-3-5(d)).

2 (9) A vehicle owned or leased and operated by a volunteer fire  
3 department (as defined in IC 36-8-12-2).

4 (10) A vehicle owned or leased and operated by a volunteer  
5 emergency ambulance service that:

6 (A) meets the requirements of IC 16-31; and

7 (B) has only members who serve for no compensation or a  
8 nominal annual compensation of not more than three  
9 thousand five hundred dollars (\$3,500).

10 (11) A vehicle that is exempt from the payment of registration  
11 fees under IC 9-18-3-1.

12 (12) A farm wagon.

13 (13) A recreational vehicle or truck camper in the inventory  
14 of recreational vehicles and truck campers held for sale by a  
15 manufacturer, distributor, or dealer in the course of business.

16 Sec. 2. As used in this chapter, "bureau" refers to the bureau of  
17 motor vehicles.

18 Sec. 3. As used in this chapter, "last preceding annual excise tax  
19 liability" means the amount of excise tax liability to which a  
20 recreational vehicle or truck camper was subject on the owner's  
21 last preceding regular annual registration date or to which:

22 (1) the recreational vehicle would have been subject if the  
23 recreational vehicle had been registered; or

24 (2) the truck camper would have been subject if the truck  
25 camper had been owned by the owner and located in Indiana;  
26 on the owner's last preceding regular annual registration date.

27 Sec. 4. As used in this chapter, "mobile home" has the meaning  
28 set forth in IC 6-1.1-7-1.

29 Sec. 5. As used in this chapter, "owner" means:

30 (1) in the case of a recreational vehicle, the person in whose  
31 name the recreational vehicle is registered under IC 9-18; or

32 (2) in the case of a truck camper, the person holding title to  
33 the truck camper.

34 Sec. 6. As used in this chapter, "recreational vehicle" has the  
35 meaning set forth in IC 9-13-2-150(a).

36 Sec. 7. As used in this chapter, "trailer" has the meaning set  
37 forth in IC 6-6-5-1(h).

38 Sec. 8. As used in this chapter, "truck camper" means a device  
39 without motive power that is installed in the bed of a truck to  
40 provide living quarters for persons traveling on public highways.

41 Sec. 9. As used in this chapter, "vehicle" has the meaning set  
42 forth in IC 9-13-2-196(a).

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1       Sec. 10. (a) Beginning January 1, 2010, there is imposed an  
2 annual license excise tax on recreational vehicles and truck  
3 campers. The excise tax is imposed instead of the ad valorem  
4 property tax levied for state or local purposes but in addition to  
5 any registration fees imposed on recreational vehicles.

6       (b) The tax imposed by this chapter is a listed tax and subject to  
7 IC 6-8.1.

8       (c) A recreational vehicle subject to this chapter may not be  
9 assessed as personal property for the purpose of the assessment  
10 and levy of personal property taxes after December 31, 2008, and  
11 is not subject to ad valorem taxes first due and payable after  
12 December 31, 2009, regardless of whether the recreational vehicle  
13 is registered under the state motor vehicle registration laws. A  
14 person may not be required to give proof of the payment of ad  
15 valorem taxes as a condition to the registration of a recreational  
16 vehicle subject to the tax imposed by this chapter.

17       (d) A truck camper subject to this chapter may not be assessed  
18 as personal property for the purpose of the assessment and levy of  
19 personal property taxes after December 31, 2008, and is not subject  
20 to ad valorem taxes first due and payable after December 31, 2009.

21       Sec. 11. As the basis for measuring the tax imposed by this  
22 chapter, the bureau shall determine the value of each recreational  
23 vehicle and truck camper as of the time it is first offered for sale in  
24 Indiana as a new recreational vehicle or truck camper. The bureau  
25 shall adopt rules under IC 4-22-2 for determining the value of  
26 recreational vehicles and truck campers by using:

- 27       (1) the factory advertised delivered price or the port of entry  
28 price; or  
29       (2) any other information available.

30       Sec. 12. After determining the value of a recreational vehicle or  
31 truck camper under section 11 of this chapter, the bureau shall  
32 classify every recreational vehicle and truck camper in its proper  
33 class by value according to the following classification plan:

34	Class	I	less than \$2,250	
35	Class	II	at least \$ 2,250	but less than \$ 4,000
36	Class	III	at least \$ 4,000	but less than \$ 7,000
37	Class	IV	at least \$ 7,000	but less than \$ 10,000
38	Class	V	at least \$10,000	but less than \$ 15,000
39	Class	VI	at least \$15,000	but less than \$ 22,000
40	Class	VII	at least \$22,000	but less than \$ 30,000
41	Class	VIII	at least \$30,000	but less than \$ 42,500
42	Class	IX	at least \$42,500	but less than \$ 50,000



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1	Class	X	at least \$50,000	but less than \$ 60,000
2	Class	XI	at least \$60,000	but less than \$ 70,000
3	Class	XII	at least \$70,000	but less than \$ 80,000
4	Class	XIII	at least \$80,000	but less than \$ 90,000
5	Class	XIV	at least \$90,000	but less than \$100,000
6	Class	XV	at least \$100,000	but less than \$150,000
7	Class	XVI	at least \$150,000	but less than \$200,000
8	Class	XVII	at least \$200,000	

9       Sec. 13. (a) Subject to any reductions permitted under this  
10 chapter, the amount of tax imposed under this chapter on a  
11 recreational vehicle or truck camper is prescribed by the schedule  
12 set out in subsection (c). The amount of tax imposed by this chapter  
13 is determined using:

- 14           (1) the classification of the recreational vehicle or truck  
15 camper under section 12 of this chapter; and  
16           (2) the age of the recreational vehicle or truck camper.

17       (b) If a person who owns a recreational vehicle or truck camper  
18 is entitled to an ad valorem property tax assessed valuation  
19 deduction under IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, or  
20 IC 6-1.1-12-17.4 in a year in which a tax is imposed by this chapter  
21 and any part of the deduction is unused after allowance of the  
22 deduction on real property and personal property owned by the  
23 person, the person is entitled to a credit that reduces the annual tax  
24 imposed by this chapter. The amount of the credit is determined by  
25 multiplying the amount of the unused deduction by two (2) and  
26 dividing the result by one hundred (100). The county auditor shall,  
27 upon request, furnish a certified statement to the person verifying  
28 the credit allowable under this subsection. The statement shall be  
29 presented to and retained by the bureau to support the credit.

30       (c) The tax schedule for each class of recreational vehicles and  
31 truck campers is as follows:

32	Year of					
33	Manufacture	I	II	III	IV	V
34	1st .....	\$15	\$36	\$50	\$59	\$103
35	2nd .....	12	31	43	51	91
36	3rd .....	12	26	35	41	75
37	4th .....	12	20	28	38	62
38	5th .....	12	15	20	34	53
39	6th .....	12	12	15	26	41
40	7th .....	12	12	12	16	32
41	8th .....	12	12	12	13	21
42	9th .....	12	12	12	12	13



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1	10th .....	12	12	12	12	12
2	and thereafter					
3	Year of					
4	Manufacture	VI	VII	VIII		
5	1st .....	\$164	\$241	\$346		
6	2nd .....	148	212	302		
7	3rd .....	131	185	261		
8	4th .....	110	161	223		
9	5th .....	89	131	191		
10	6th .....	68	108	155		
11	7th .....	53	86	126		
12	8th .....	36	71	97		
13	9th .....	23	35	48		
14	10th .....	12	12	17		
15	and thereafter					
16	Year of					
17	Manufacture	IX	X	XI	XII	
18	1st .....	\$470	\$667	\$879	\$1,045	
19	2nd .....	412	572	763	907	
20	3rd .....	360	507	658	782	
21	4th .....	307	407	574	682	
22	5th .....	253	341	489	581	
23	6th .....	204	279	400	475	
24	7th .....	163	224	317	377	
25	8th .....	116	154	214	254	
26	9th .....	55	70	104	123	
27	10th .....	25	33	46	55	
28	and thereafter					
29	Year of					
30	Manufacture	XIII	XIV	XV	XVI	XVII
31	1st .....	\$1,235	\$1,425	\$1,615	\$1,805	\$2,375
32	2nd .....	1,072	1,236	1,401	1,566	2,060
33	3rd .....	924	1,066	1,208	1,350	1,777
34	4th .....	806	929	1,053	1,177	1,549
35	5th .....	687	793	898	1,004	1,321
36	6th .....	562	648	734	821	1,080
37	7th .....	445	514	582	651	856
38	8th .....	300	346	392	439	577
39	9th .....	146	168	190	213	280
40	10th .....	64	74	84	94	123
41	and thereafter.					
42	(d) Each recreational vehicle or truck camper shall be taxed as					

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1 a recreational vehicle or truck camper in its first year of  
 2 manufacture throughout the calendar year in which a recreational  
 3 vehicle or truck camper of that make and model is first offered for  
 4 sale in Indiana. However, a recreational vehicle or truck camper  
 5 of a make and model first offered for sale in Indiana after August  
 6 1 of any year continues to be taxed as a recreational vehicle or  
 7 truck camper in its first year of manufacture until the end of the  
 8 calendar year following the year in which it is first offered for sale.  
 9 Thereafter, the recreational vehicle or truck camper shall be  
 10 considered to have aged one (1) year as of January 1 of each year.

11 Sec. 14. (a) Except as otherwise provided in this chapter, the tax  
 12 imposed on a recreational vehicle by this chapter is payable for  
 13 each registration year by the owner with respect to a recreational  
 14 vehicle required to be registered for the registration year as  
 15 provided in the state motor vehicle laws. Except as provided in  
 16 section 15 of this chapter, the tax is due on or before the regular  
 17 annual registration date in each year on or before which the owner  
 18 is required under the state motor vehicle registration laws to  
 19 register vehicles. The tax shall be paid to the bureau at the time the  
 20 recreational vehicle is registered by the owner as provided in the  
 21 state motor vehicle registration laws. A recreational vehicle subject  
 22 to taxation under this chapter shall be registered by the owner as  
 23 being taxable in the county of the owner's residence. The payment  
 24 of the tax imposed by this chapter is a condition to the right to  
 25 register or reregister the recreational vehicle and is in addition to  
 26 all other conditions prescribed by law.

27 (b) The tax imposed on a truck camper by this chapter is due on  
 28 or before the annual registration date in each year on or before  
 29 which the owner is required under the state motor vehicle  
 30 registration laws to register vehicles. The tax on the truck camper  
 31 must be paid to the bureau. A truck camper subject to taxation  
 32 under this chapter is taxable in the county of the owner's residence.

33 (c) A voucher from the department of state revenue showing  
 34 payment of the tax imposed by this chapter may be accepted by the  
 35 bureau instead of a payment under subsection (a).

36 Sec. 15. (a) This section applies only to recreational vehicles.

37 (b) With respect to a recreational vehicle that has been  
 38 acquired, has been brought into Indiana, or for any other reason  
 39 becomes subject to registration after the regular annual  
 40 registration date in the year on or before which the owner of the  
 41 recreational vehicle is required under the state motor vehicle  
 42 registration laws to register vehicles, the tax imposed by this

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chapter is due and payable at the time the recreational vehicle is acquired, is brought into Indiana, or otherwise becomes subject to registration. The amount of tax to be paid by the owner for the remainder of the year shall be reduced by ten percent (10%) for each full calendar month that has elapsed since the regular annual registration date in the year fixed by the state motor vehicle registration laws for annual registration by the owner. The tax shall be paid at the time of the registration of the recreational vehicle.

(c) If a recreational vehicle is acquired, is brought into Indiana, or for any other reason becomes subject to registration after January 1 of any year, the owner may pay the applicable registration fee on the recreational vehicle as provided in the state motor vehicle registration laws and may pay any excise tax due on the recreational vehicle for the remainder of the annual registration year and simultaneously register the recreational vehicle and pay the applicable registration fee and the excise tax due for the next succeeding annual registration year.

(d) Except as provided in subsection (h), a reduction in the applicable annual excise tax may not be allowed to an Indiana resident applicant upon registration of a recreational vehicle that was owned by the applicant on or before the first day of the applicant's annual registration period. A recreational vehicle that is owned by an Indiana resident applicant and that was located in and registered for use in another state during the same calendar year is entitled to the same reduction when registered in Indiana.

(e) The owner of a recreational vehicle who sells the recreational vehicle in a year in which the owner has paid the tax imposed by this chapter shall receive a credit equal to the remainder of:

- (1) the tax paid for the recreational vehicle; minus
- (2) ten percent (10%) for each full or partial calendar month that has elapsed in the owner's annual registration year before the date of the sale.

The credit shall be applied to the tax due on any other recreational vehicle purchased or subsequently registered by the owner in the owner's annual registration year. If the credit is not fully used and the amount of the credit remaining is at least four dollars (\$4), the owner is entitled to a refund in the amount of the unused credit. The owner must pay a fee of three dollars (\$3) to the bureau to cover costs of providing the refund, which may be deducted from the refund. The bureau shall issue the refund. The bureau shall transfer three dollars (\$3) of the fee to the bureau of motor vehicles

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commission to cover the commission's costs in processing the refund. To claim the credit and refund provided by this subsection, the owner of the recreational vehicle must present to the bureau proof of sale of the recreational vehicle.

(f) Subject to the requirements of subsection (g), if a recreational vehicle is destroyed in a year in which the owner has paid the tax imposed by this chapter and the recreational vehicle is not replaced by a replacement vehicle for which a credit is issued under this section, the owner is entitled to a refund in an amount equal to ten percent (10%) of the tax paid for each full calendar month remaining in the owner's annual registration year after the date of destruction, but only upon presentation or return to the bureau of the following:

- (1) A request for refund on a form furnished by the bureau.
- (2) A statement of proof of destruction on an affidavit furnished by the bureau.
- (3) The license plate from the recreational vehicle.
- (4) The registration from the recreational vehicle.

However, the refund may not exceed ninety percent (90%) of the tax paid on the destroyed recreational vehicle. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be paid out of the special account created under section 21 of this chapter for settlement of the excise tax collections. For purposes of this subsection, a recreational vehicle is considered destroyed if the cost of repair of damages suffered by the recreational vehicle exceeds the recreational vehicle's fair market value.

(g) To claim a refund under subsection (f) for a recreational vehicle that is destroyed, the owner of the recreational vehicle must present to the bureau a valid registration for the recreational vehicle within ninety (90) days after the date that the recreational vehicle is destroyed. The bureau shall then fix the amount of the refund that the owner is entitled to receive.

(h) If the name of the owner of a recreational vehicle is legally changed and the change has caused a change in the owner's annual registration date, the excise tax liability of the owner for the recreational vehicle shall be adjusted as follows:

- (1) If the name change requires the owner to register sooner than the owner would have been required to register if there had been no name change, the owner is, at the time the name change is reported, entitled to a refund from the county treasurer in the amount of the product of:

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(A) ten percent (10%) of the owner's last preceding annual excise tax liability; multiplied by

(B) the number of full calendar months beginning after the owner's new regular annual registration month and ending before the next succeeding regular annual registration month that is based on the owner's former name.

(2) If the name change requires the owner to register later than the owner would have been required to register if there had been no name change, the recreational vehicle is subject to excise tax for the period beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month in the amount of the product of:

(A) ten percent (10%) of the owner's excise tax liability computed as of the time the owner would have been required to register if there had been no name change; multiplied by

(B) the number of full calendar months beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month.

Sec. 16. (a) This section applies only to truck campers.

(b) With respect to a truck camper that has been acquired, has been brought into Indiana, or for any other reason becomes subject to taxation after the regular annual registration date in the year on or before which the owner of the truck camper is required under the state motor vehicle registration laws to register vehicles, the tax imposed by this chapter is due and payable at the time the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter. The amount of tax to be paid by the owner for the remainder of the year shall be reduced by ten percent (10%) for each full calendar month that has elapsed since the regular annual registration date in the year fixed by the state motor vehicle registration laws for annual registration by the owner. The tax shall be paid within thirty (30) days after the date on which the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter.

(c) If a truck camper is acquired, is brought into Indiana, or for any other reason becomes subject to taxation under this chapter after January 1 of any year, the owner may pay any excise tax due on the truck camper for the remainder of the annual registration

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year and simultaneously pay the excise tax due for the next succeeding annual registration year.

(d) The owner of a truck camper who sells the truck camper in a year in which the owner has paid the tax imposed by this chapter shall receive a credit equal to the remainder of:

- (1) the tax paid for the truck camper; reduced by
- (2) ten percent (10%) for each full or partial calendar month that has elapsed in the owner's annual registration year before the date of the sale.

The credit shall be applied to the tax due on any other truck camper acquired by the owner in the owner's annual registration year. If the credit is not fully used and the amount of the credit remaining is at least four dollars (\$4), the owner is entitled to a refund in the amount of the unused credit. The owner must pay a fee of three dollars (\$3) to the bureau to cover the costs of providing the refund, which may be deducted from the refund. The bureau shall issue the refund. The bureau shall transfer three dollars (\$3) of the fee to the bureau of motor vehicles commission to cover the commission's costs in processing the refund. To claim the credit and refund provided by this subsection, the owner of the truck camper must present to the bureau proof of sale of the truck camper.

(e) Subject to the requirements of subsection (f), if a truck camper is destroyed in a year in which the owner has paid the tax imposed by this chapter and the truck camper is not replaced by a replacement truck camper for which a credit is issued under this section, the owner is entitled to a refund in an amount equal to ten percent (10%) of the tax paid for each full calendar month remaining in the owner's annual registration year after the date of destruction, but only upon presentation or return to the bureau of the following:

- (1) A request for refund on a form furnished by the bureau.
- (2) A statement of proof of destruction on an affidavit furnished by the bureau.

However, the refund may not exceed ninety percent (90%) of the tax paid on the destroyed truck camper. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be paid out of the special account created under section 21 of this chapter for settlement of the excise tax collections. For purposes of this subsection, a truck camper is considered destroyed if the cost of repair of damages suffered by the truck camper exceeds the truck camper's fair

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1 market value.

2 (f) To claim a refund under subsection (e) for a truck camper  
3 that is destroyed, the owner of the truck camper must present to  
4 the bureau a valid receipt for the excise tax paid under this chapter  
5 on the truck camper within ninety (90) days after the date that the  
6 truck camper is destroyed. The bureau shall then fix the amount of  
7 the refund that the owner is entitled to receive.

8 (g) If the name of the owner of a truck camper is legally  
9 changed and the change has caused a change in the owner's annual  
10 registration date, the excise tax liability of the owner for the truck  
11 camper shall be adjusted as follows:

12 (1) If the name change requires the owner to register a motor  
13 vehicle sooner than the owner would have been required to  
14 register if there had been no name change, the owner is, at the  
15 time the name change is reported, entitled to a refund from  
16 the county treasurer in the amount of the product of:

17 (A) ten percent (10%) of the owner's last preceding annual  
18 excise tax liability; multiplied by

19 (B) the number of full calendar months beginning after the  
20 owner's new regular annual registration month and ending  
21 before the next succeeding regular annual registration  
22 month that is based on the owner's former name.

23 (2) If the name change requires the owner to register a motor  
24 vehicle later than the owner would have been required to  
25 register if there had been no name change, the truck camper  
26 is subject to excise tax for the period beginning after the  
27 month in which the owner would have been required to  
28 register if there had been no name change and ending before  
29 the owner's new regular annual registration month in the  
30 amount of the product of:

31 (A) ten percent (10%) of the owner's excise tax liability  
32 computed as of the time the owner would have been  
33 required to register a motor vehicle if there had been no  
34 name change; multiplied by

35 (B) the number of full calendar months beginning after the  
36 month in which the owner would have been required to  
37 register a motor vehicle if there had been no name change  
38 and ending before the owner's new regular annual  
39 registration month.

40 Sec. 17. (a) This section applies only to recreational vehicles.

41 (b) The owner of a recreational vehicle registered with the  
42 bureau is entitled to a refund of taxes paid under this chapter if,

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1 after the owner's regular registration date, the owner:

2 (1) registers the recreational vehicle for use in another state;  
3 and

4 (2) pays tax for use of the recreational vehicle to another state  
5 for the same period for which the tax was paid under this  
6 chapter.

7 (c) The refund provided under subsection (b) is equal to:

8 (1) the annual license excise tax paid for use of the  
9 recreational vehicle by the owner of the vehicle for the year;  
10 minus

11 (2) ten percent (10%) of the annual license excise tax paid for  
12 use of the recreational vehicle for each full or partial calendar  
13 month beginning after the date the annual license excise tax  
14 was due and ending before the date the owner registered the  
15 recreational vehicle for use in another state.

16 (d) To claim the refund provided by this section, the owner of  
17 the recreational vehicle must provide the bureau with:

18 (1) a request for a refund on a form furnished by the bureau;  
19 and

20 (2) proof that a tax described in subsection (b)(2) was paid.

21 Sec. 18. (a) This section applies only to truck campers.

22 (b) The owner of a truck camper is entitled to a refund of taxes  
23 paid under this chapter if, after the owner's regular vehicle  
24 registration date:

25 (1) the owner moves and registers the truck on which the  
26 truck camper is installed for use in another state;

27 (2) the owner pays tax for use of the truck camper to another  
28 state for the same period for which the tax was paid under  
29 this chapter; and

30 (3) the truck camper is located and used in the other state for  
31 the same period for which the tax was paid under this  
32 chapter.

33 (c) The refund provided under subsection (b) is equal to:

34 (1) the annual excise tax paid for use of the truck camper by  
35 the owner of the truck camper for the year; minus

36 (2) ten percent (10%) of the annual excise tax paid for use of  
37 the truck camper for each full or partial calendar month  
38 beginning after the date the annual excise tax was due and  
39 ending before the date the owner registered the truck for use  
40 in another state.

41 Sec. 19. (a) To claim a credit or refund, or both, under this  
42 chapter, a person must provide a sworn statement to the bureau or

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1 to an agent branch of the bureau that the person is entitled to the  
2 credit or refund, or both, claimed by the person.

3 (b) The bureau may inspect records of a person claiming a  
4 credit or refund, or both, under this chapter to determine if a  
5 credit or refund, or both, were properly allowed against the excise  
6 tax imposed on a recreational vehicle or truck camper owned by  
7 the person.

8 (c) If the bureau determines that a credit or refund, or both,  
9 were improperly allowed for a recreational vehicle or truck  
10 camper, the person who claimed the credit or refund, or both, shall  
11 pay the bureau an amount equal to the credit or refund, or both,  
12 improperly allowed to the person plus a penalty of ten percent  
13 (10%) of the credit or refund, or both, improperly allowed. The tax  
14 collected under this subsection shall be paid to the county treasurer  
15 of the county in which the person resides. However, a penalty  
16 collected under this subsection shall be retained by the bureau.

17 Sec. 20. (a) The bureau shall include on all registration forms  
18 for recreational vehicles suitable spaces for the applicant's Social  
19 Security number or federal tax identification number, the amount  
20 of the registration fee, the amount of excise tax, the amount of a  
21 credit, if any, provided under section 13 of this chapter, and the  
22 total amount of payment due on account of the applicable  
23 registration fees and excise taxes upon the registration of the  
24 recreational vehicle. The forms must include spaces for showing  
25 the county, city or town, township, and address of the owner's  
26 residence.

27 (b) The bureau shall list on all registration forms for  
28 recreational vehicles the amount of registration fees and taxes due.  
29 In addition, the bureau shall prepare by December 1 of each year  
30 a schedule showing the excise tax payable on each make and model  
31 of recreational vehicle or truck camper.

32 Sec. 21. (a) The bureau, in the administration and collection of  
33 the tax imposed by this chapter, may use the services and facilities  
34 of license branches operated under IC 9-16 in the bureau's  
35 administration of the state motor vehicle registration laws. The  
36 license branches may be used in the manner and to the extent the  
37 bureau considers necessary and proper to implement and  
38 effectuate the administration and collection of the excise tax  
39 imposed by this chapter. However, if the bureau uses the license  
40 branches in the collection of excise taxes, the following apply:

41 (1) The excise taxes collected by each license branch, less any  
42 refunds made by the license branch, shall be deposited daily

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by the license branch in a separate account in a depository designated by the state board of finance. The county treasurer of the county for which the collections are due may withdraw funds from the account at least two (2) times each week. The county treasurer is responsible for the safekeeping and investment of money withdrawn by the county treasurer under this subdivision. Before the eleventh day of the month following the month in which the collections are made, the bureau shall report the excise taxes collected and refunds made outside the county to the county treasurer of the county to which the collections are due and the refunds apply. The bureau shall forward a copy of the excise tax report to the county auditor of the county.

(2) A license branch shall each week forward a report to the county auditor of the county to which the collections are due, showing the excise tax collected by the license branch on each recreational vehicle or truck camper, each refund made by the license branch on a recreational vehicle or truck camper, and a copy of each registration certificate for all collections and refunds of excise tax by the license branch within the county.

(3) Each license branch shall report to the bureau all excise taxes collected and refunds made by the license branch under this chapter in the same manner and at the same time as registration fees are reported.

(4) Premiums for insurance to protect the funds collected by license branches against theft shall be paid by the bureau, except that the bureau may issue blanket coverage for all branches. The bureau may:

(A) self-insure to cover the activities of the license branches; or

(B) rather than purchase a bond or crime insurance policy for each branch, purchase a single blanket bond or crime insurance policy endorsed to include faithful performance to cover all branches.

(5) If the services of a license branch are used by the bureau in the collection of the excise tax imposed by this chapter, the license branch shall collect the service charge prescribed under IC 9-29 for each vehicle registered on which an excise tax is collected by that branch.

(6) If the excise tax imposed by this chapter is collected by the department of state revenue, the money collected shall be

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deposited in the state general fund to the credit of the appropriate county and reported to the bureau on the first working day following the week of collection. Except as provided in subdivision (7), money collected by the department that represents interest or a penalty shall be retained by the department and used to pay the department's costs of enforcing this chapter.

(7) This subdivision applies only to interest or a penalty collected by the department of state revenue from a person who:

(A) fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under this chapter; and

(B) during any time after the date by which the recreational vehicle was required to be registered under IC 9-18 displays on the recreational vehicle a license plate issued by another state.

The total amount collected by the department of state revenue that represents interest or a penalty, minus a reasonable amount determined by the department to represent its administrative expenses, shall be deposited in the state general fund to the credit of the county in which the person resides.

The amount shall be reported to the bureau on the first working day following the week of collection.

The bureau may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards. However, if a bank card or credit card vendor charges a vendor transaction charge or discount fee, whether billed to the bureau or charged directly to the bureau's account, the bureau shall collect from a person using the card an official fee that may not exceed the highest transaction charge or discount fee charged to the bureau by bank card or credit card vendors during the most recent collection period. The fee may be collected regardless of retail merchant agreements between the bank card and credit card vendors that may prohibit such a fee. The fee is a permitted additional charge under IC 24-4.5-3-202.

(b) On or before April 1 of each year, the bureau shall provide to the auditor of state the amount of taxes collected under this chapter for each county for the preceding year.

(c) On or before May 10 and November 10 of each year, the auditor of state shall distribute to each county one-half (1/2) of:

(1) the amount of delinquent taxes; and

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(2) any interest or penalty described in subsection (a)(7);  
that have been credited to the county under subsection (a). There  
is appropriated from the state general fund the amount necessary  
to make the distributions required by this subsection. The county  
auditor shall apportion and distribute the delinquent tax  
distributions to the taxing units in the county at the same time and  
in the same manner as excise taxes are apportioned and distributed  
under section 22 of this chapter.

(d) The insurance commissioner shall prescribe the form of the  
bonds or crime insurance policies required by this section.

Sec. 22. (a) The bureau shall establish procedures necessary for  
the collection and proper accounting of the tax imposed by this  
chapter. The necessary forms and records are subject to approval  
by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax  
collections, shall place the collections into a separate account for  
settlement at the same time as property taxes are accounted for  
and settled in June and December of each year, with the right and  
duty of the county treasurer and county auditor to make advances  
before the time of final settlement of property taxes in the same  
manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of  
excise taxes collected under this chapter for each taxing unit in the  
county. The amount collected shall be apportioned and distributed  
among the respective funds of each taxing unit in the same manner  
and at the same time as property taxes are apportioned and  
distributed.

(d) The determination under subsection (c) shall be made from  
copies of vehicle registration forms and receipts for excise taxes  
paid on truck campers furnished by the bureau. Before the  
determination, the county assessor shall, from copies of  
registration forms and receipts, verify information pertaining to  
legal residence of persons owning taxable recreational vehicles and  
truck campers from the county assessor's records, to the extent the  
verification can be made. The county assessor shall further identify  
and verify from the assessor's records the taxing units within  
which the persons reside.

(e) Verifications under subsection (d) shall be completed not  
later than thirty (30) days after receipt of vehicle registration  
forms and receipts by the county assessor. The county assessor  
shall certify the information to the county auditor for the county  
auditor's use when the information is checked and completed.

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1       Sec. 23. The county auditor shall, from the copies of vehicle  
2 registration forms and truck camper receipts furnished by the  
3 bureau, verify and determine the total amount of excise taxes  
4 collected under this chapter for each taxing unit in the county. The  
5 bureau shall verify the collections reported by the branches and  
6 provide the county auditor adequate and accurate audit  
7 information, registration form information, truck camper receipts,  
8 records, and materials to support the proper assessment,  
9 collection, and refund of excise taxes under this chapter.

10       Sec. 24. The county auditor shall, not later than August 1 of a  
11 year, furnish to the proper officer of each political subdivision an  
12 estimate of the money to be distributed to the taxing units under  
13 this chapter during the next calendar year. The budget of each  
14 political subdivision must show the estimated amounts to be  
15 received for each fund for which a property tax is proposed to be  
16 levied.

17       Sec. 25. (a) An owner of a recreational vehicle who knowingly  
18 registers the recreational vehicle without paying the tax required  
19 by this chapter commits a Class B misdemeanor.

20       (b) An employee of the bureau or a branch manager or  
21 employee of a license branch office who recklessly issues a  
22 registration on any recreational vehicle without collecting the tax  
23 required to be collected under this chapter with the registration  
24 commits a Class B misdemeanor.

25       Sec. 26. The registration of a recreational vehicle registered  
26 without payment of the tax imposed by this chapter is void. The  
27 bureau shall take possession of the registration certificate, license  
28 plate, and other evidence of registration until the owner pays the  
29 delinquent taxes and an additional fee of ten dollars (\$10) to  
30 compensate the bureau for performing the additional duties.

31       Sec. 27. In the administration and collection of the taxes  
32 imposed by this chapter, the bureau may contract with a collection  
33 agency that is authorized to collect and receive property taxes on  
34 behalf of the county treasurer. A collection agency with which the  
35 bureau contracts may collect on behalf of the bureau the taxes  
36 imposed by this chapter and the registration fees and charges as  
37 the bureau directs. A collection agency that contracts with the  
38 bureau under this section shall comply with the requirements  
39 concerning the collection of property taxes on behalf of county  
40 treasurers and other requirements, including the posting of a bond,  
41 as may be established by the bureau.

42       Sec. 28. (a) The tax imposed by this chapter is equal to an

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1 average property tax rate of two dollars (\$2) on each one hundred  
2 dollars (\$100) of taxable value.

3 (b) For purposes of limitations on indebtedness of political or  
4 municipal corporations imposed by Article 13, Section 1 of the  
5 Constitution of the State of Indiana, recreational vehicles and  
6 truck campers subject to the tax under this chapter are considered  
7 to be taxable property within each political or municipal  
8 corporation where the owner resides.

9 (c) The assessed valuation of recreational vehicles and truck  
10 campers subject to the tax under this chapter shall be determined  
11 by multiplying the amount of the tax by one hundred (100) and  
12 dividing the result by two dollars (\$2).

13 **Sec. 29. In the administration and collection of the tax imposed**  
14 **by this chapter, the bureau may coordinate and consolidate the**  
15 **collection of the taxes imposed on all recreational vehicles and**  
16 **truck campers owned by a taxpayer following procedures the**  
17 **bureau considers reasonable and feasible, including the revocation**  
18 **of all registrations of recreational vehicles registered by the owner**  
19 **if the owner willfully fails and refuses to pay the tax imposed by**  
20 **this chapter. Upon a revocation of registration, the bureau shall**  
21 **notify the department of state revenue of the name and address of**  
22 **the taxpayer.**

23 SECTION 15. IC 6-8-12-1, AS ADDED BY P.L.234-2007,  
24 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
25 JULY 1, 2008]: Sec. 1. As used in this chapter, "eligible entity" means:

26 (1) the National Football League and its affiliates; ~~as defined in~~  
27 ~~the National Football League document titled "SUPER BOWL~~  
28 ~~XLV HOST CITY BID SPECIFICATIONS &~~  
29 ~~REQUIREMENTS" dated October 2006; and~~

30 (2) the National Collegiate Athletic Association and its  
31 affiliates.

32 SECTION 16. IC 6-8-12-2, AS ADDED BY P.L.234-2007,  
33 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JULY 1, 2008]: Sec. 2. As used in this chapter, "eligible event" means:

35 (1) an event known as the Super Bowl that is conducted ~~after~~  
36 **December 31, 2011**, by an eligible entity described in ~~section 1~~  
37 **section 1(1)** of this chapter; or

38 (2) an event known as the Men's Final Four or the Women's  
39 Final Four, including the ancillary events associated with the  
40 Men's Final Four or the Women's Final Four, that is  
41 conducted after December 31, 2011, by an eligible entity  
42 described in section 1(2) of this chapter.

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SECTION 17. IC 6-8.1-1-1, AS AMENDED BY P.L.233-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13); the slot machine wagering tax (IC 4-35-8); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); **the excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1)**; the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 18. IC 6-8.1-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) Except as otherwise provided in this section, the department may not issue a proposed assessment under section 1 of this chapter more than three (3) years after the latest of the date the return is filed, or any of the following:

- (1) the due date of the return; or
- (2) in the case of a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax, the end of the

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calendar year which contains the taxable period for which the return is filed.

(b) If a person files an adjusted gross income tax (IC 6-3), supplemental net income tax (IC 6-3-8) (repealed), county adjusted gross income tax (IC 6-3.5-1.1), county option income tax (IC 6-3.5-6), or financial institutions tax (IC 6-5.5) return that understates the person's income, as that term is defined in the particular income tax law, by at least twenty-five percent (25%), the proposed assessment limitation is six (6) years instead of the three (3) years provided in subsection (a).

(c) In the case of the motor vehicle excise tax (IC 6-6-5), the tax shall be assessed as provided in IC 6-6-5-5 and IC 6-6-5-6 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5 is considered to have failed to file a return for purposes of this article.

(d) In the case of the commercial vehicle excise tax imposed under IC 6-6-5.5, the tax shall be assessed as provided in IC 6-6-5.5 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a commercial vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.5 is considered to have failed to file a return for purposes of this article.

**(e) In the case of the excise tax imposed on recreational vehicles and truck campers under IC 6-6-5.1, the tax shall be assessed as provided in IC 6-6-5.1 and must include the penalties and interest due on all listed taxes not paid by the due date. A person who fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.1 is considered to have failed to file a return for purposes of this article. A person who fails to pay the tax due under IC 6-6-5.1 on a truck camper is considered to have failed to file a return for purposes of this article.**

~~(e)~~ (f) If a person files a fraudulent, unsigned, or substantially blank return, or if a person does not file a return, there is no time limit within which the department must issue its proposed assessment.

~~(f)~~ (g) If, before the end of the time within which the department may make an assessment, the department and the person agree to extend that assessment time period, the period may be extended according to the terms of a written agreement signed by both the department and the person. The agreement must contain:

- (1) the date to which the extension is made; and
- (2) a statement that the person agrees to preserve the person's records until the extension terminates.

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1 The department and a person may agree to more than one (1) extension  
2 under this subsection.

3 ~~(g)~~ **(h)** If a taxpayer's federal income tax liability for a taxable year  
4 is modified due to the assessment of a federal deficiency or the filing  
5 of an amended federal income tax return, then the date by which the  
6 department must issue a proposed assessment under section 1 of this  
7 chapter for tax imposed under IC 6-3 is extended to six (6) months after  
8 the date on which the notice of modification is filed with the  
9 department by the taxpayer.

10 SECTION 19. IC 6-8.1-7-1, AS AMENDED BY P.L.219-2007,  
11 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JANUARY 1, 2009]: Sec. 1. (a) This subsection does not apply to the  
13 disclosure of information concerning a conviction on a tax evasion  
14 charge. Unless in accordance with a judicial order or as otherwise  
15 provided in this chapter, the department, its employees, former  
16 employees, counsel, agents, or any other person may not divulge the  
17 amount of tax paid by any taxpayer, terms of a settlement agreement  
18 executed between a taxpayer and the department, investigation records,  
19 investigation reports, or any other information disclosed by the reports  
20 filed under the provisions of the law relating to any of the listed taxes,  
21 including required information derived from a federal return, except to:

- 22 (1) members and employees of the department;
- 23 (2) the governor;
- 24 (3) the attorney general or any other legal representative of the  
25 state in any action in respect to the amount of tax due under the  
26 provisions of the law relating to any of the listed taxes; or
- 27 (4) any authorized officers of the United States;

28 when it is agreed that the information is to be confidential and to be  
29 used solely for official purposes.

30 (b) The information described in subsection (a) may be revealed  
31 upon the receipt of a certified request of any designated officer of the  
32 state tax department of any other state, district, territory, or possession  
33 of the United States when:

- 34 (1) the state, district, territory, or possession permits the exchange  
35 of like information with the taxing officials of the state; and
- 36 (2) it is agreed that the information is to be confidential and to be  
37 used solely for tax collection purposes.

38 (c) The information described in subsection (a) relating to a person  
39 on public welfare or a person who has made application for public  
40 welfare may be revealed to the director of the division of family  
41 resources, and to any director of a county office of family and children  
42 located in Indiana, upon receipt of a written request from either director

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for the information. The information shall be treated as confidential by the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying educational loans owed to a postsecondary educational institution may be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved postsecondary educational institutions (as defined by IC 21-7-13-6(a)). The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

(1) the state agency shows an official need for the information; and

(2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

(g) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(j) may be released solely for tax collection purposes to township assessors and county assessors.

(h) The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

(i) All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the

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1 information is disclosed for the purpose of the enforcement and  
2 collection of the taxes imposed by IC 6-6-5.

3 (j) All information relating to the delinquency or evasion of  
4 commercial vehicle excise taxes payable to the bureau of motor  
5 vehicles in Indiana may be disclosed to the bureau and may be  
6 disclosed to another state, if the information is disclosed for the  
7 purpose of the enforcement and collection of the taxes imposed by  
8 IC 6-6-5.5.

9 (k) All information relating to the delinquency or evasion of  
10 commercial vehicle excise taxes payable under the International  
11 Registration Plan may be disclosed to another state, if the information  
12 is disclosed for the purpose of the enforcement and collection of the  
13 taxes imposed by IC 6-6-5.5.

14 **(l) All information relating to the delinquency or evasion of the**  
15 **excise taxes imposed on recreational vehicles and truck campers**  
16 **that are payable to the bureau of motor vehicles in Indiana may be**  
17 **disclosed to the bureau and may be disclosed to another state if the**  
18 **information is disclosed for the purpose of the enforcement and**  
19 **collection of the taxes imposed by IC 6-6-5.1.**

20 ~~(h)~~ (m) This section does not apply to:

- 21 (1) the beer excise tax (IC 7.1-4-2);
- 22 (2) the liquor excise tax (IC 7.1-4-3);
- 23 (3) the wine excise tax (IC 7.1-4-4);
- 24 (4) the hard cider excise tax (IC 7.1-4-4.5);
- 25 (5) the malt excise tax (IC 7.1-4-5);
- 26 (6) the motor vehicle excise tax (IC 6-6-5);
- 27 (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- 28 (8) the fees under IC 13-23.

29 ~~(m)~~ (n) The name and business address of retail merchants within  
30 each county that sell tobacco products may be released to the division  
31 of mental health and addiction and the alcohol and tobacco commission  
32 solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

33 SECTION 20. IC 6-8.1-9-1, AS AMENDED BY P.L.211-2007,  
34 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
35 JANUARY 1, 2009]: Sec. 1. (a) If a person has paid more tax than the  
36 person determines is legally due for a particular taxable period, the  
37 person may file a claim for a refund with the department. Except as  
38 provided in subsections (f) and (g), in order to obtain the refund, the  
39 person must file the claim with the department within three (3) years  
40 after the latter of the following:

- 41 (1) The due date of the return.
- 42 (2) The date of payment.

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For purposes of this section, the due date for a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax is the end of the calendar year which contains the taxable period for which the return is filed. The claim must set forth the amount of the refund to which the person is entitled and the reasons that the person is entitled to the refund.

(b) When the department receives a claim for refund, the department shall consider the claim for refund and shall, if the taxpayer requests, hold a hearing on the claim for refund to obtain and consider additional evidence. After considering the claim and all evidence relevant to the claim, the department shall issue a decision on the claim, stating the part, if any, of the refund allowed and containing a statement of the reasons for any part of the refund that is denied. The department shall mail a copy of the decision to the person who filed the claim. If the department allows the full amount of the refund claim, a warrant for the payment of the claim is sufficient notice of the decision.

(c) If the person disagrees with any part of the department's decision, the person may appeal the decision, regardless of whether or not the person protested the tax payment or whether or not the person has accepted a refund. The person must file the appeal with the tax court. The tax court does not have jurisdiction to hear a refund appeal suit, if:

- (1) the appeal is filed more than three (3) years after the date the claim for refund was filed with the department;
- (2) the appeal is filed more than ninety (90) days after the date the department mails the decision of denial to the person; or
- (3) the appeal is filed both before the decision is issued and before the one hundred eighty-first day after the date the person files the claim for refund with the department.

(d) The tax court shall hear the appeal de novo and without a jury, and after the hearing may order or deny any part of the appealed refund. The court may assess the court costs in any manner that it feels is equitable. The court may enjoin the collection of any of the listed taxes under IC 33-26-6-2. The court may also allow a refund of taxes, interest, and penalties that have been paid to and collected by the department.

(e) With respect to the motor vehicle excise tax, this section applies only to penalties and interest paid on assessments of the motor vehicle excise tax. Any other overpayment of the motor vehicle excise tax is subject to IC 6-6-5.

(f) If a taxpayer's federal income tax liability for a taxable year is

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modified by the Internal Revenue Service, and the modification would result in a reduction of the tax legally due, the due date by which the taxpayer must file a claim for refund with the department is the later of:

- (1) the date determined under subsection (a); or
- (2) the date that is six (6) months after the date on which the taxpayer is notified of the modification by the Internal Revenue Service.

(g) If an agreement to extend the assessment time period is entered into under ~~IC 6-8.1-5-2(f)~~, **IC 6-8.1-5-2(g)**, the period during which a person may file a claim for a refund under subsection (a) is extended to the same date to which the assessment time period is extended.

SECTION 21. IC 6-8.1-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) If a person fails to file a return or to make a full tax payment with that return with the fraudulent intent of evading the tax, the person is subject to a penalty.

(b) The amount of the penalty imposed for a fraudulent failure described in subsection (a) is one hundred percent (100%) multiplied by:

- (1) the full amount of the tax, if the person failed to file a return; or
- (2) the amount of the tax that is not paid, if the person failed to pay the full amount of the tax.

(c) In addition to the civil penalty imposed under this section, a person who knowingly fails to file a return with the department or fails to pay the tax due under IC 6-6-5, **IC 6-6-5.1**, or IC 6-6-5.5 commits a Class A misdemeanor.

(d) The penalty imposed under this section is imposed in place of and not in addition to the penalty imposed under section 2.1 of this chapter.

SECTION 22. IC 9-14-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. The commissioner shall appoint and fix, subject to the approval of the governor, the salaries of the deputies, subordinate officers, clerks, and other employees necessary to carry out this title, IC 6-6-5, **IC 6-6-5.1**, IC 6-6-5.5, and IC 6-6-11.

SECTION 23. IC 9-17-2-1, AS AMENDED BY P.L.219-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) This section does not apply to an off-road vehicle that is at least five (5) model years old.

(b) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must obtain a certificate of title for all vehicles owned by the

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person that:

(1) are subject to the motor vehicle excise tax under IC 6-6-5; or

(2) are off-road vehicles;

and that will be operated in Indiana.

(c) Within sixty (60) days after becoming an Indiana resident, a person shall obtain a certificate of title for all commercial vehicles owned by the person that:

(1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;

(2) are not subject to proportional registration under the International Registration Plan; and

(3) will be operated in Indiana.

**(d) Within sixty (60) days after becoming an Indiana resident, a person must obtain a certificate of title for all recreational vehicles owned by the person that:**

**(1) are subject to the excise tax imposed under IC 6-6-5.1; and**

**(2) will be operated in Indiana.**

~~(d)~~ (e) A person must produce evidence concerning the date on which the person became an Indiana resident.

SECTION 24. IC 9-18-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must register all motor vehicles owned by the person that:

(1) are subject to the motor vehicle excise tax under IC 6-6-5; and

(2) will be operated in Indiana.

(b) Within sixty (60) days after becoming an Indiana resident, a person must register all commercial vehicles owned by the person that:

(1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;

(2) are not subject to proportional registration under the International Registration Plan; and

(3) will be operated in Indiana.

**(c) Within sixty (60) days after becoming an Indiana resident, a person must register all recreational vehicles owned by the person that:**

**(1) are subject to the excise tax imposed under IC 6-6-5.1; and**

**(2) will be operated in Indiana.**

~~(c)~~ (d) A person must produce evidence concerning the date on which the person became an Indiana resident.

~~(d)~~ (e) Except as provided in subsection ~~(c)~~, (f), an Indiana resident must register all motor vehicles operated in Indiana.

~~(e)~~ (f) An Indiana resident who has a legal residence in a state that

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is not contiguous to Indiana may operate a motor vehicle in Indiana for not more than sixty (60) days without registering the motor vehicle in Indiana.

~~(f)~~ (g) An Indiana resident who has registered a motor vehicle in Indiana in any previous registration year is not required to register the motor vehicle, is not required to pay motor vehicle excise tax under IC 6-6-5 or the commercial vehicle excise tax under IC 6-6-5.5 on the motor vehicle, and is exempt from property tax on the motor vehicle for any registration year in which:

(1) the Indiana resident is:

(A) an active member of the armed forces of the United States; and

(B) assigned to a duty station outside Indiana; and

(2) the motor vehicle is not operated inside or outside Indiana.

This subsection may not be construed as granting the bureau authority to require the registration of any vehicle that is not operated in Indiana.

~~(g)~~ (h) When an Indiana resident registers a motor vehicle in Indiana after the period of exemption described in subsection ~~(f)~~, (g), the Indiana resident may submit an affidavit that:

(1) states facts demonstrating that the motor vehicle is a motor vehicle described in subsection ~~(e)~~, (g); and

(2) is signed by the owner of the motor vehicle under penalties of perjury;

as sufficient proof that the owner of the motor vehicle is not required to register the motor vehicle during a registration year described in subsection ~~(f)~~, (g). The commission or bureau may not require the Indiana resident to pay any civil penalty or any reinstatement or other fee that is not also charged to other motor vehicles being registered in the same registration year.

SECTION 25. IC 9-29-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. The service charge for each excise tax collection made under IC 6-6-5, **IC 6-6-5.1**, or IC 6-6-5.5 is eighty-five cents (\$0.85).

SECTION 26. [EFFECTIVE JANUARY 1, 2009] (a) **The definitions in IC 6-6-5.1, as added by this act, apply throughout this SECTION.**

(b) **IC 6-6-5.1, as added by this act, applies to recreational vehicles registered and truck campers located in Indiana after December 31, 2009.**

(c) **After December 31, 2008, a recreational vehicle or truck camper, except for a recreational vehicle or truck camper held in the inventory of recreational vehicles and truck campers held for**

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1 sale by a manufacturer, distributor, or dealer in the course of  
 2 business, may not be assessed as personal property for the purpose  
 3 of the assessment and levy of personal property taxes.

4 (d) This SECTION expires January 1, 2011.

5 SECTION 27. [EFFECTIVE JANUARY 1, 2009] (a) The  
 6 definitions in IC 6-6-5.1, as added by this act, apply throughout this  
 7 SECTION.

8 (b) The bureau shall certify to the department of local  
 9 government finance the amount of excise tax collected under  
 10 IC 6-6-5.1, as added by this act, and distributed to each county  
 11 auditor in calendar year 2010.

12 (c) Each county auditor shall certify to the department of local  
 13 government finance the amount of excise tax collected under  
 14 IC 6-6-5.1, as added by this act, and distributed to each taxing unit  
 15 in the county in calendar year 2010.

16 (d) This SECTION expires January 1, 2012.

17 SECTION 28. [EFFECTIVE JANUARY 1, 2009] (a) For property  
 18 taxes due and payable in calendar year 2010, the department of  
 19 local government finance shall make a reduction in the maximum  
 20 permissible ad valorem property tax levy for each taxing unit to  
 21 account for the removal of assessed value under IC 6-6-5.1, as  
 22 added by this act.

23 (b) This SECTION expires January 1, 2012.

24 SECTION 29. [EFFECTIVE JANUARY 1, 2008  
 25 (RETROACTIVE)] IC 6-3-1-11, as amended by this act, applies only  
 26 to taxable years beginning after December 31, 2007.

27 SECTION 30. [EFFECTIVE JANUARY 1, 2008  
 28 (RETROACTIVE)] IC 6-3-1-3.5, as amended by this act, applies to  
 29 taxable years beginning after December 31, 2007.

30 SECTION 31. An emergency is declared for this act.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1125, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 20, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1125 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 7. The following property is not subject to assessment and taxation under this article:

(1) A commercial vessel that is subject to the net tonnage tax imposed under IC 6-6-6.

(2) A motor vehicle or trailer that is subject to the annual license excise tax imposed under IC 6-6-5.

(3) A boat that is subject to the boat excise tax imposed under IC 6-6-11.

(4) Property used by a cemetery (as defined in IC 23-14-33-7) if the cemetery:

(A) does not have a board of directors, board of trustees, or other governing authority other than the state or a political subdivision; and

(B) has had no business transaction during the preceding calendar year.

(5) A commercial vehicle that is subject to the annual excise tax imposed under IC 6-6-5.5.

**(6) A recreational vehicle or truck camper that is subject to the annual excise tax imposed under IC 6-6-5.1."**

Page 2, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 3. IC 6-6-5.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]:

**Chapter 5.1. Excise Tax on Recreational Vehicles and Truck**

EH 1125—LS 6455/DI 114+



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## **Campers**

**Sec. 1.** This chapter does not apply to the following:

- (1) A vehicle subject to the motor vehicle excise tax under IC 6-6-5.
- (2) A vehicle owned or leased and operated by the United States, the state, or a political subdivision of the state.
- (3) A mobile home.
- (4) A vehicle assessed under IC 6-1.1-8.
- (5) A vehicle subject to the commercial vehicle excise tax under IC 6-6-5.5.
- (6) A trailer subject to the annual excise tax imposed under IC 6-6-5-5.5.
- (7) A bus (as defined in IC 9-13-2-17(a)).
- (8) A vehicle owned or leased and operated by a postsecondary educational institution (as described in IC 6-3-3-5(d)).
- (9) A vehicle owned or leased and operated by a volunteer fire department (as defined in IC 36-8-12-2).
- (10) A vehicle owned or leased and operated by a volunteer emergency ambulance service that:
  - (A) meets the requirements of IC 16-31; and
  - (B) has only members who serve for no compensation or a nominal annual compensation of not more than three thousand five hundred dollars (\$3,500).
- (11) A vehicle that is exempt from the payment of registration fees under IC 9-18-3-1.
- (12) A farm wagon.
- (13) A recreational vehicle or truck camper in the inventory of recreational vehicles and truck campers held for sale by a manufacturer, distributor, or dealer in the course of business.

**Sec. 2.** As used in this chapter, "bureau" refers to the bureau of motor vehicles.

**Sec. 3.** As used in this chapter, "last preceding annual excise tax liability" means the amount of excise tax liability to which a recreational vehicle or truck camper was subject on the owner's last preceding regular annual registration date or to which:

- (1) the recreational vehicle would have been subject if the recreational vehicle had been registered; or
- (2) the truck camper would have been subject if the truck camper had been owned by the owner and located in Indiana; on the owner's last preceding regular annual registration date.

**Sec. 4.** As used in this chapter, "mobile home" has the meaning

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set forth in IC 6-1.1-7-1.

**Sec. 5.** As used in this chapter, "owner" means:

- (1) in the case of a recreational vehicle, the person in whose name the recreational vehicle is registered under IC 9-18; or
- (2) in the case of a truck camper, the person holding title to the truck camper.

**Sec. 6.** As used in this chapter, "recreational vehicle" has the meaning set forth in IC 9-13-2-150(a).

**Sec. 7.** As used in this chapter, "trailer" has the meaning set forth in IC 6-6-5-1(h).

**Sec. 8.** As used in this chapter, "truck camper" means a device without motive power that is installed in the bed of a truck to provide living quarters for persons traveling on public highways.

**Sec. 9.** As used in this chapter, "vehicle" has the meaning set forth in IC 9-13-2-196(a).

**Sec. 10.** (a) Beginning January 1, 2010, there is imposed an annual license excise tax on recreational vehicles and truck campers. The excise tax is imposed instead of the ad valorem property tax levied for state or local purposes but in addition to any registration fees imposed on recreational vehicles.

(b) The tax imposed by this chapter is a listed tax and subject to IC 6-8.1.

(c) A recreational vehicle subject to this chapter may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes after December 31, 2008, and is not subject to ad valorem taxes first due and payable after December 31, 2009, regardless of whether the recreational vehicle is registered under the state motor vehicle registration laws. A person may not be required to give proof of the payment of ad valorem taxes as a condition to the registration of a recreational vehicle subject to the tax imposed by this chapter.

(d) A truck camper subject to this chapter may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes after December 31, 2008, and is not subject to ad valorem taxes first due and payable after December 31, 2009.

**Sec. 11.** As the basis for measuring the tax imposed by this chapter, the bureau shall determine the value of each recreational vehicle and truck camper as of the time it is first offered for sale in Indiana as a new recreational vehicle or truck camper. The bureau shall adopt rules under IC 4-22-2 for determining the value of recreational vehicles and truck campers by using:

- (1) the factory advertised delivered price or the port of entry

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price; or

(2) any other information available.

**Sec. 12.** After determining the value of a recreational vehicle or truck camper under section 11 of this chapter, the bureau shall classify every recreational vehicle and truck camper in its proper class by value according to the following classification plan:

Class	I	less than \$2,250	
Class	II	at least \$ 2,250	but less than \$ 4,000
Class	III	at least \$ 4,000	but less than \$ 7,000
Class	IV	at least \$ 7,000	but less than \$ 10,000
Class	V	at least \$10,000	but less than \$ 15,000
Class	VI	at least \$15,000	but less than \$ 22,000
Class	VII	at least \$22,000	but less than \$ 30,000
Class	VIII	at least \$30,000	but less than \$ 42,500
Class	IX	at least \$42,500	but less than \$ 50,000
Class	X	at least \$50,000	but less than \$ 60,000
Class	XI	at least \$60,000	but less than \$ 70,000
Class	XII	at least \$70,000	but less than \$ 80,000
Class	XIII	at least \$80,000	but less than \$ 90,000
Class	XIV	at least \$90,000	but less than \$100,000
Class	XV	at least \$100,000	but less than \$150,000
Class	XVI	at least \$150,000	but less than \$200,000
Class	XVII	at least \$200,000	

**Sec. 13. (a)** Subject to any reductions permitted under this chapter, the amount of tax imposed under this chapter on a recreational vehicle or truck camper is prescribed by the schedule set out in subsection (c). The amount of tax imposed by this chapter is determined using:

(1) the classification of the recreational vehicle or truck camper under section 12 of this chapter; and

(2) the age of the recreational vehicle or truck camper.

(b) If a person who owns a recreational vehicle or truck camper is entitled to an ad valorem property tax assessed valuation deduction under IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, or IC 6-1.1-12-17.4 in a year in which a tax is imposed by this chapter and any part of the deduction is unused after allowance of the deduction on real property and personal property owned by the person, the person is entitled to a credit that reduces the annual tax imposed by this chapter. The amount of the credit is determined by multiplying the amount of the unused deduction by two (2) and dividing the result by one hundred (100). The county auditor shall, upon request, furnish a certified statement to the person verifying

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the credit allowable under this subsection. The statement shall be presented to and retained by the bureau to support the credit.

(c) The tax schedule for each class of recreational vehicles and truck campers is as follows:

Year of Manufacture	I	II	III	IV	V
1st .....	\$15	\$36	\$50	\$59	\$103
2nd .....	12	31	43	51	91
3rd .....	12	26	35	41	75
4th .....	12	20	28	38	62
5th .....	12	15	20	34	53
6th .....	12	12	15	26	41
7th .....	12	12	12	16	32
8th .....	12	12	12	13	21
9th .....	12	12	12	12	13
10th .....	12	12	12	12	12
and thereafter					

Year of Manufacture	VI	VII	VIII
1st .....	\$164	\$241	\$346
2nd .....	148	212	302
3rd .....	131	185	261
4th .....	110	161	223
5th .....	89	131	191
6th .....	68	108	155
7th .....	53	86	126
8th .....	36	71	97
9th .....	23	35	48
10th .....	12	12	17
and thereafter			

Year of Manufacture	IX	X	XI	XII
1st .....	\$470	\$667	\$879	\$1,045
2nd .....	412	572	763	907
3rd .....	360	507	658	782
4th .....	307	407	574	682
5th .....	253	341	489	581
6th .....	204	279	400	475
7th .....	163	224	317	377
8th .....	116	154	214	254
9th .....	55	70	104	123
10th .....	25	33	46	55

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and thereafter

Year of Manufacture	XIII	XIV	XV	XVI	XVII
1st .....	\$1,235	\$1,425	\$1,615	\$1,805	\$2,375
2nd .....	1,072	1,236	1,401	1,566	2,060
3rd .....	924	1,066	1,208	1,350	1,777
4th .....	806	929	1,053	1,177	1,549
5th .....	687	793	898	1,004	1,321
6th .....	562	648	734	821	1,080
7th .....	445	514	582	651	856
8th .....	300	346	392	439	577
9th .....	146	168	190	213	280
10th .....	64	74	84	94	123

and thereafter.

(d) Each recreational vehicle or truck camper shall be taxed as a recreational vehicle or truck camper in its first year of manufacture throughout the calendar year in which a recreational vehicle or truck camper of that make and model is first offered for sale in Indiana. However, a recreational vehicle or truck camper of a make and model first offered for sale in Indiana after August 1 of any year continues to be taxed as a recreational vehicle or truck camper in its first year of manufacture until the end of the calendar year following the year in which it is first offered for sale. Thereafter, the recreational vehicle or truck camper shall be considered to have aged one (1) year as of January 1 of each year.

Sec. 14. (a) Except as otherwise provided in this chapter, the tax imposed on a recreational vehicle by this chapter is payable for each registration year by the owner with respect to a recreational vehicle required to be registered for the registration year as provided in the state motor vehicle laws. Except as provided in section 15 of this chapter, the tax is due on or before the regular annual registration date in each year on or before which the owner is required under the state motor vehicle registration laws to register vehicles. The tax shall be paid to the bureau at the time the recreational vehicle is registered by the owner as provided in the state motor vehicle registration laws. A recreational vehicle subject to taxation under this chapter shall be registered by the owner as being taxable in the county of the owner's residence. The payment of the tax imposed by this chapter is a condition to the right to register or reregister the recreational vehicle and is in addition to all other conditions prescribed by law.

(b) The tax imposed on a truck camper by this chapter is due on

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or before the annual registration date in each year on or before which the owner is required under the state motor vehicle registration laws to register vehicles. The tax on the truck camper must be paid to the bureau. A truck camper subject to taxation under this chapter is taxable in the county of the owner's residence.

(c) A voucher from the department of state revenue showing payment of the tax imposed by this chapter may be accepted by the bureau instead of a payment under subsection (a).

**Sec. 15. (a)** This section applies only to recreational vehicles.

(b) With respect to a recreational vehicle that has been acquired, has been brought into Indiana, or for any other reason becomes subject to registration after the regular annual registration date in the year on or before which the owner of the recreational vehicle is required under the state motor vehicle registration laws to register vehicles, the tax imposed by this chapter is due and payable at the time the recreational vehicle is acquired, is brought into Indiana, or otherwise becomes subject to registration. The amount of tax to be paid by the owner for the remainder of the year shall be reduced by ten percent (10%) for each full calendar month that has elapsed since the regular annual registration date in the year fixed by the state motor vehicle registration laws for annual registration by the owner. The tax shall be paid at the time of the registration of the recreational vehicle.

(c) If a recreational vehicle is acquired, is brought into Indiana, or for any other reason becomes subject to registration after January 1 of any year, the owner may pay the applicable registration fee on the recreational vehicle as provided in the state motor vehicle registration laws and may pay any excise tax due on the recreational vehicle for the remainder of the annual registration year and simultaneously register the recreational vehicle and pay the applicable registration fee and the excise tax due for the next succeeding annual registration year.

(d) Except as provided in subsection (h), a reduction in the applicable annual excise tax may not be allowed to an Indiana resident applicant upon registration of a recreational vehicle that was owned by the applicant on or before the first day of the applicant's annual registration period. A recreational vehicle that is owned by an Indiana resident applicant and that was located in and registered for use in another state during the same calendar year is entitled to the same reduction when registered in Indiana.

(e) The owner of a recreational vehicle who sells the recreational

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vehicle in a year in which the owner has paid the tax imposed by this chapter shall receive a credit equal to the remainder of:

- (1) the tax paid for the recreational vehicle; minus
- (2) ten percent (10%) for each full or partial calendar month that has elapsed in the owner's annual registration year before the date of the sale.

The credit shall be applied to the tax due on any other recreational vehicle purchased or subsequently registered by the owner in the owner's annual registration year. If the credit is not fully used and the amount of the credit remaining is at least four dollars (\$4), the owner is entitled to a refund in the amount of the unused credit. The owner must pay a fee of three dollars (\$3) to the bureau to cover costs of providing the refund, which may be deducted from the refund. The bureau shall issue the refund. The bureau shall transfer three dollars (\$3) of the fee to the bureau of motor vehicles commission to cover the commission's costs in processing the refund. To claim the credit and refund provided by this subsection, the owner of the recreational vehicle must present to the bureau proof of sale of the recreational vehicle.

(f) Subject to the requirements of subsection (g), if a recreational vehicle is destroyed in a year in which the owner has paid the tax imposed by this chapter and the recreational vehicle is not replaced by a replacement vehicle for which a credit is issued under this section, the owner is entitled to a refund in an amount equal to ten percent (10%) of the tax paid for each full calendar month remaining in the owner's annual registration year after the date of destruction, but only upon presentation or return to the bureau of the following:

- (1) A request for refund on a form furnished by the bureau.
- (2) A statement of proof of destruction on an affidavit furnished by the bureau.
- (3) The license plate from the recreational vehicle.
- (4) The registration from the recreational vehicle.

However, the refund may not exceed ninety percent (90%) of the tax paid on the destroyed recreational vehicle. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be paid out of the special account created under section 21 of this chapter for settlement of the excise tax collections. For purposes of this subsection, a recreational vehicle is considered destroyed if the cost of repair of damages suffered by the recreational vehicle exceeds the recreational vehicle's fair market value.

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(g) To claim a refund under subsection (f) for a recreational vehicle that is destroyed, the owner of the recreational vehicle must present to the bureau a valid registration for the recreational vehicle within ninety (90) days after the date that the recreational vehicle is destroyed. The bureau shall then fix the amount of the refund that the owner is entitled to receive.

(h) If the name of the owner of a recreational vehicle is legally changed and the change has caused a change in the owner's annual registration date, the excise tax liability of the owner for the recreational vehicle shall be adjusted as follows:

(1) If the name change requires the owner to register sooner than the owner would have been required to register if there had been no name change, the owner is, at the time the name change is reported, entitled to a refund from the county treasurer in the amount of the product of:

(A) ten percent (10%) of the owner's last preceding annual excise tax liability; multiplied by

(B) the number of full calendar months beginning after the owner's new regular annual registration month and ending before the next succeeding regular annual registration month that is based on the owner's former name.

(2) If the name change requires the owner to register later than the owner would have been required to register if there had been no name change, the recreational vehicle is subject to excise tax for the period beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month in the amount of the product of:

(A) ten percent (10%) of the owner's excise tax liability computed as of the time the owner would have been required to register if there had been no name change; multiplied by

(B) the number of full calendar months beginning after the month in which the owner would have been required to register if there had been no name change and ending before the owner's new regular annual registration month.

**Sec. 16. (a)** This section applies only to truck campers.

(b) With respect to a truck camper that has been acquired, has been brought into Indiana, or for any other reason becomes subject to taxation after the regular annual registration date in the year on or before which the owner of the truck camper is required under

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the state motor vehicle registration laws to register vehicles, the tax imposed by this chapter is due and payable at the time the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter. The amount of tax to be paid by the owner for the remainder of the year shall be reduced by ten percent (10%) for each full calendar month that has elapsed since the regular annual registration date in the year fixed by the state motor vehicle registration laws for annual registration by the owner. The tax shall be paid within thirty (30) days after the date on which the truck camper is acquired, is brought into Indiana, or otherwise becomes subject to taxation under this chapter.

(c) If a truck camper is acquired, is brought into Indiana, or for any other reason becomes subject to taxation under this chapter after January 1 of any year, the owner may pay any excise tax due on the truck camper for the remainder of the annual registration year and simultaneously pay the excise tax due for the next succeeding annual registration year.

(d) The owner of a truck camper who sells the truck camper in a year in which the owner has paid the tax imposed by this chapter shall receive a credit equal to the remainder of:

- (1) the tax paid for the truck camper; reduced by
- (2) ten percent (10%) for each full or partial calendar month that has elapsed in the owner's annual registration year before the date of the sale.

The credit shall be applied to the tax due on any other truck camper acquired by the owner in the owner's annual registration year. If the credit is not fully used and the amount of the credit remaining is at least four dollars (\$4), the owner is entitled to a refund in the amount of the unused credit. The owner must pay a fee of three dollars (\$3) to the bureau to cover the costs of providing the refund, which may be deducted from the refund. The bureau shall issue the refund. The bureau shall transfer three dollars (\$3) of the fee to the bureau of motor vehicles commission to cover the commission's costs in processing the refund. To claim the credit and refund provided by this subsection, the owner of the truck camper must present to the bureau proof of sale of the truck camper.

(e) Subject to the requirements of subsection (f), if a truck camper is destroyed in a year in which the owner has paid the tax imposed by this chapter and the truck camper is not replaced by a replacement truck camper for which a credit is issued under this section, the owner is entitled to a refund in an amount equal to ten

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percent (10%) of the tax paid for each full calendar month remaining in the owner's annual registration year after the date of destruction, but only upon presentation or return to the bureau of the following:

- (1) A request for refund on a form furnished by the bureau.
- (2) A statement of proof of destruction on an affidavit furnished by the bureau.

However, the refund may not exceed ninety percent (90%) of the tax paid on the destroyed truck camper. The amount shall be refunded by a warrant issued by the auditor of the county that received the excise tax revenue and shall be paid out of the special account created under section 21 of this chapter for settlement of the excise tax collections. For purposes of this subsection, a truck camper is considered destroyed if the cost of repair of damages suffered by the truck camper exceeds the truck camper's fair market value.

(f) To claim a refund under subsection (e) for a truck camper that is destroyed, the owner of the truck camper must present to the bureau a valid receipt for the excise tax paid under this chapter on the truck camper within ninety (90) days after the date that the truck camper is destroyed. The bureau shall then fix the amount of the refund that the owner is entitled to receive.

(g) If the name of the owner of a truck camper is legally changed and the change has caused a change in the owner's annual registration date, the excise tax liability of the owner for the truck camper shall be adjusted as follows:

- (1) If the name change requires the owner to register a motor vehicle sooner than the owner would have been required to register if there had been no name change, the owner is, at the time the name change is reported, entitled to a refund from the county treasurer in the amount of the product of:

- (A) ten percent (10%) of the owner's last preceding annual excise tax liability; multiplied by

- (B) the number of full calendar months beginning after the owner's new regular annual registration month and ending before the next succeeding regular annual registration month that is based on the owner's former name.

- (2) If the name change requires the owner to register a motor vehicle later than the owner would have been required to register if there had been no name change, the truck camper is subject to excise tax for the period beginning after the month in which the owner would have been required to

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register if there had been no name change and ending before the owner's new regular annual registration month in the amount of the product of:

(A) ten percent (10%) of the owner's excise tax liability computed as of the time the owner would have been required to register a motor vehicle if there had been no name change; multiplied by

(B) the number of full calendar months beginning after the month in which the owner would have been required to register a motor vehicle if there had been no name change and ending before the owner's new regular annual registration month.

**Sec. 17. (a) This section applies only to recreational vehicles.**

(b) The owner of a recreational vehicle registered with the bureau is entitled to a refund of taxes paid under this chapter if, after the owner's regular registration date, the owner:

(1) registers the recreational vehicle for use in another state; and

(2) pays tax for use of the recreational vehicle to another state for the same period for which the tax was paid under this chapter.

(c) The refund provided under subsection (b) is equal to:

(1) the annual license excise tax paid for use of the recreational vehicle by the owner of the vehicle for the year; minus

(2) ten percent (10%) of the annual license excise tax paid for use of the recreational vehicle for each full or partial calendar month beginning after the date the annual license excise tax was due and ending before the date the owner registered the recreational vehicle for use in another state.

(d) To claim the refund provided by this section, the owner of the recreational vehicle must provide the bureau with:

(1) a request for a refund on a form furnished by the bureau; and

(2) proof that a tax described in subsection (b)(2) was paid.

**Sec. 18. (a) This section applies only to truck campers.**

(b) The owner of a truck camper is entitled to a refund of taxes paid under this chapter if, after the owner's regular vehicle registration date:

(1) the owner moves and registers the truck on which the truck camper is installed for use in another state;

(2) the owner pays tax for use of the truck camper to another

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state for the same period for which the tax was paid under this chapter; and

(3) the truck camper is located and used in the other state for the same period for which the tax was paid under this chapter.

(c) The refund provided under subsection (b) is equal to:

(1) the annual excise tax paid for use of the truck camper by the owner of the truck camper for the year; minus

(2) ten percent (10%) of the annual excise tax paid for use of the truck camper for each full or partial calendar month beginning after the date the annual excise tax was due and ending before the date the owner registered the truck for use in another state.

Sec. 19. (a) To claim a credit or refund, or both, under this chapter, a person must provide a sworn statement to the bureau or to an agent branch of the bureau that the person is entitled to the credit or refund, or both, claimed by the person.

(b) The bureau may inspect records of a person claiming a credit or refund, or both, under this chapter to determine if a credit or refund, or both, were properly allowed against the excise tax imposed on a recreational vehicle or truck camper owned by the person.

(c) If the bureau determines that a credit or refund, or both, were improperly allowed for a recreational vehicle or truck camper, the person who claimed the credit or refund, or both, shall pay the bureau an amount equal to the credit or refund, or both, improperly allowed to the person plus a penalty of ten percent (10%) of the credit or refund, or both, improperly allowed. The tax collected under this subsection shall be paid to the county treasurer of the county in which the person resides. However, a penalty collected under this subsection shall be retained by the bureau.

Sec. 20. (a) The bureau shall include on all registration forms for recreational vehicles suitable spaces for the applicant's Social Security number or federal tax identification number, the amount of the registration fee, the amount of excise tax, the amount of a credit, if any, provided under section 13 of this chapter, and the total amount of payment due on account of the applicable registration fees and excise taxes upon the registration of the recreational vehicle. The forms must include spaces for showing the county, city or town, township, and address of the owner's residence.

(b) The bureau shall list on all registration forms for

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recreational vehicles the amount of registration fees and taxes due. In addition, the bureau shall prepare by December 1 of each year a schedule showing the excise tax payable on each make and model of recreational vehicle or truck camper.

**Sec. 21. (a)** The bureau, in the administration and collection of the tax imposed by this chapter, may use the services and facilities of license branches operated under IC 9-16 in the bureau's administration of the state motor vehicle registration laws. The license branches may be used in the manner and to the extent the bureau considers necessary and proper to implement and effectuate the administration and collection of the excise tax imposed by this chapter. However, if the bureau uses the license branches in the collection of excise taxes, the following apply:

(1) The excise taxes collected by each license branch, less any refunds made by the license branch, shall be deposited daily by the license branch in a separate account in a depository designated by the state board of finance. The county treasurer of the county for which the collections are due may withdraw funds from the account at least two (2) times each week. The county treasurer is responsible for the safekeeping and investment of money withdrawn by the county treasurer under this subdivision. Before the eleventh day of the month following the month in which the collections are made, the bureau shall report the excise taxes collected and refunds made outside the county to the county treasurer of the county to which the collections are due and the refunds apply. The bureau shall forward a copy of the excise tax report to the county auditor of the county.

(2) A license branch shall each week forward a report to the county auditor of the county to which the collections are due, showing the excise tax collected by the license branch on each recreational vehicle or truck camper, each refund made by the license branch on a recreational vehicle or truck camper, and a copy of each registration certificate for all collections and refunds of excise tax by the license branch within the county.

(3) Each license branch shall report to the bureau all excise taxes collected and refunds made by the license branch under this chapter in the same manner and at the same time as registration fees are reported.

(4) Premiums for insurance to protect the funds collected by license branches against theft shall be paid by the bureau,

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except that the bureau may issue blanket coverage for all branches. The bureau may:

(A) self-insure to cover the activities of the license branches; or

(B) rather than purchase a bond or crime insurance policy for each branch, purchase a single blanket bond or crime insurance policy endorsed to include faithful performance to cover all branches.

(5) If the services of a license branch are used by the bureau in the collection of the excise tax imposed by this chapter, the license branch shall collect the service charge prescribed under IC 9-29 for each vehicle registered on which an excise tax is collected by that branch.

(6) If the excise tax imposed by this chapter is collected by the department of state revenue, the money collected shall be deposited in the state general fund to the credit of the appropriate county and reported to the bureau on the first working day following the week of collection. Except as provided in subdivision (7), money collected by the department that represents interest or a penalty shall be retained by the department and used to pay the department's costs of enforcing this chapter.

(7) This subdivision applies only to interest or a penalty collected by the department of state revenue from a person who:

(A) fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under this chapter; and

(B) during any time after the date by which the recreational vehicle was required to be registered under IC 9-18 displays on the recreational vehicle a license plate issued by another state.

The total amount collected by the department of state revenue that represents interest or a penalty, minus a reasonable amount determined by the department to represent its administrative expenses, shall be deposited in the state general fund to the credit of the county in which the person resides.

The amount shall be reported to the bureau on the first working day following the week of collection.

The bureau may contract with a bank card or credit card vendor for acceptance of bank cards or credit cards. However, if a bank card or credit card vendor charges a vendor transaction charge or

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discount fee, whether billed to the bureau or charged directly to the bureau's account, the bureau shall collect from a person using the card an official fee that may not exceed the highest transaction charge or discount fee charged to the bureau by bank card or credit card vendors during the most recent collection period. The fee may be collected regardless of retail merchant agreements between the bank card and credit card vendors that may prohibit such a fee. The fee is a permitted additional charge under IC 24-4.5-3-202.

(b) On or before April 1 of each year, the bureau shall provide to the auditor of state the amount of taxes collected under this chapter for each county for the preceding year.

(c) On or before May 10 and November 10 of each year, the auditor of state shall distribute to each county one-half (1/2) of:

- (1) the amount of delinquent taxes; and
- (2) any interest or penalty described in subsection (a)(7);

that have been credited to the county under subsection (a). There is appropriated from the state general fund the amount necessary to make the distributions required by this subsection. The county auditor shall apportion and distribute the delinquent tax distributions to the taxing units in the county at the same time and in the same manner as excise taxes are apportioned and distributed under section 22 of this chapter.

(d) The insurance commissioner shall prescribe the form of the bonds or crime insurance policies required by this section.

Sec. 22. (a) The bureau shall establish procedures necessary for the collection and proper accounting of the tax imposed by this chapter. The necessary forms and records are subject to approval by the state board of accounts.

(b) The county treasurer, upon receiving the excise tax collections, shall place the collections into a separate account for settlement at the same time as property taxes are accounted for and settled in June and December of each year, with the right and duty of the county treasurer and county auditor to make advances before the time of final settlement of property taxes in the same manner as provided in IC 5-13-6-3.

(c) The county auditor shall determine the total amount of excise taxes collected under this chapter for each taxing unit in the county. The amount collected shall be apportioned and distributed among the respective funds of each taxing unit in the same manner and at the same time as property taxes are apportioned and distributed.

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(d) The determination under subsection (c) shall be made from copies of vehicle registration forms and receipts for excise taxes paid on truck campers furnished by the bureau. Before the determination, the county assessor shall, from copies of registration forms and receipts, verify information pertaining to legal residence of persons owning taxable recreational vehicles and truck campers from the county assessor's records, to the extent the verification can be made. The county assessor shall further identify and verify from the assessor's records the taxing units within which the persons reside.

(e) Verifications under subsection (d) shall be completed not later than thirty (30) days after receipt of vehicle registration forms and receipts by the county assessor. The county assessor shall certify the information to the county auditor for the county auditor's use when the information is checked and completed.

Sec. 23. The county auditor shall, from the copies of vehicle registration forms and truck camper receipts furnished by the bureau, verify and determine the total amount of excise taxes collected under this chapter for each taxing unit in the county. The bureau shall verify the collections reported by the branches and provide the county auditor adequate and accurate audit information, registration form information, truck camper receipts, records, and materials to support the proper assessment, collection, and refund of excise taxes under this chapter.

Sec. 24. The county auditor shall, not later than August 1 of a year, furnish to the proper officer of each political subdivision an estimate of the money to be distributed to the taxing units under this chapter during the next calendar year. The budget of each political subdivision must show the estimated amounts to be received for each fund for which a property tax is proposed to be levied.

Sec. 25. (a) An owner of a recreational vehicle who knowingly registers the recreational vehicle without paying the tax required by this chapter commits a Class B misdemeanor.

(b) An employee of the bureau or a branch manager or employee of a license branch office who recklessly issues a registration on any recreational vehicle without collecting the tax required to be collected under this chapter with the registration commits a Class B misdemeanor.

Sec. 26. The registration of a recreational vehicle registered without payment of the tax imposed by this chapter is void. The bureau shall take possession of the registration certificate, license

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plate, and other evidence of registration until the owner pays the delinquent taxes and an additional fee of ten dollars (\$10) to compensate the bureau for performing the additional duties.

**Sec. 27. In the administration and collection of the taxes imposed by this chapter, the bureau may contract with a collection agency that is authorized to collect and receive property taxes on behalf of the county treasurer. A collection agency with which the bureau contracts may collect on behalf of the bureau the taxes imposed by this chapter and the registration fees and charges as the bureau directs. A collection agency that contracts with the bureau under this section shall comply with the requirements concerning the collection of property taxes on behalf of county treasurers and other requirements, including the posting of a bond, as may be established by the bureau.**

**Sec. 28. (a) The tax imposed by this chapter is equal to an average property tax rate of two dollars (\$2) on each one hundred dollars (\$100) of taxable value.**

**(b) For purposes of limitations on indebtedness of political or municipal corporations imposed by Article 13, Section 1 of the Constitution of the State of Indiana, recreational vehicles and truck campers subject to the tax under this chapter are considered to be taxable property within each political or municipal corporation where the owner resides.**

**(c) The assessed valuation of recreational vehicles and truck campers subject to the tax under this chapter shall be determined by multiplying the amount of the tax by one hundred (100) and dividing the result by two dollars (\$2).**

**Sec. 29. In the administration and collection of the tax imposed by this chapter, the bureau may coordinate and consolidate the collection of the taxes imposed on all recreational vehicles and truck campers owned by a taxpayer following procedures the bureau considers reasonable and feasible, including the revocation of all registrations of recreational vehicles registered by the owner if the owner willfully fails and refuses to pay the tax imposed by this chapter. Upon a revocation of registration, the bureau shall notify the department of state revenue of the name and address of the taxpayer.**

SECTION 3. IC 6-8.1-1-1, AS AMENDED BY P.L.233-2007, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. "Listed taxes" or "taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);



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the slot machine wagering tax (IC 4-35-8); the gross income tax (IC 6-2.1) (repealed); the utility receipts and utility services use taxes (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8) (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the county option income tax (IC 6-3.5-6); the county economic development income tax (IC 6-3.5-7); the municipal option income tax (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); **the excise tax imposed on recreational vehicles and truck campers (IC 6-6-5.1)**; the hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5); the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and hazardous chemical inventory form fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23); the solid waste management fee (IC 13-20-22); and any other tax or fee that the department is required to collect or administer.

SECTION 4. IC 6-8.1-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 2. (a) Except as otherwise provided in this section, the department may not issue a proposed assessment under section 1 of this chapter more than three (3) years after the latest of the date the return is filed, or any of the following:

- (1) the due date of the return; or
  - (2) in the case of a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax, the end of the calendar year which contains the taxable period for which the return is filed.
- (b) If a person files an adjusted gross income tax (IC 6-3), supplemental net income tax (IC 6-3-8) (repealed), county adjusted gross income tax (IC 6-3.5-1.1), county option income tax (IC 6-3.5-6),

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or financial institutions tax (IC 6-5.5) return that understates the person's income, as that term is defined in the particular income tax law, by at least twenty-five percent (25%), the proposed assessment limitation is six (6) years instead of the three (3) years provided in subsection (a).

(c) In the case of the motor vehicle excise tax (IC 6-6-5), the tax shall be assessed as provided in IC 6-6-5-5 and IC 6-6-5-6 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5 is considered to have failed to file a return for purposes of this article.

(d) In the case of the commercial vehicle excise tax imposed under IC 6-6-5.5, the tax shall be assessed as provided in IC 6-6-5.5 and shall include the penalties and interest due on all listed taxes not paid by the due date. A person that fails to properly register a commercial vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.5 is considered to have failed to file a return for purposes of this article.

**(e) In the case of the excise tax imposed on recreational vehicles and truck campers under IC 6-6-5.1, the tax shall be assessed as provided in IC 6-6-5.1 and must include the penalties and interest due on all listed taxes not paid by the due date. A person who fails to properly register a recreational vehicle as required by IC 9-18 and pay the tax due under IC 6-6-5.1 is considered to have failed to file a return for purposes of this article. A person who fails to pay the tax due under IC 6-6-5.1 on a truck camper is considered to have failed to file a return for purposes of this article.**

~~(e)~~ (f) If a person files a fraudulent, unsigned, or substantially blank return, or if a person does not file a return, there is no time limit within which the department must issue its proposed assessment.

~~(f)~~ (g) If, before the end of the time within which the department may make an assessment, the department and the person agree to extend that assessment time period, the period may be extended according to the terms of a written agreement signed by both the department and the person. The agreement must contain:

- (1) the date to which the extension is made; and
- (2) a statement that the person agrees to preserve the person's records until the extension terminates.

The department and a person may agree to more than one (1) extension under this subsection.

~~(g)~~ (h) If a taxpayer's federal income tax liability for a taxable year is modified due to the assessment of a federal deficiency or the filing of an amended federal income tax return, then the date by which the

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department must issue a proposed assessment under section 1 of this chapter for tax imposed under IC 6-3 is extended to six (6) months after the date on which the notice of modification is filed with the department by the taxpayer.

SECTION 5. IC 6-8.1-7-1, AS AMENDED BY P.L.219-2007, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) This subsection does not apply to the disclosure of information concerning a conviction on a tax evasion charge. Unless in accordance with a judicial order or as otherwise provided in this chapter, the department, its employees, former employees, counsel, agents, or any other person may not divulge the amount of tax paid by any taxpayer, terms of a settlement agreement executed between a taxpayer and the department, investigation records, investigation reports, or any other information disclosed by the reports filed under the provisions of the law relating to any of the listed taxes, including required information derived from a federal return, except to:

- (1) members and employees of the department;
- (2) the governor;
- (3) the attorney general or any other legal representative of the state in any action in respect to the amount of tax due under the provisions of the law relating to any of the listed taxes; or
- (4) any authorized officers of the United States;

when it is agreed that the information is to be confidential and to be used solely for official purposes.

(b) The information described in subsection (a) may be revealed upon the receipt of a certified request of any designated officer of the state tax department of any other state, district, territory, or possession of the United States when:

- (1) the state, district, territory, or possession permits the exchange of like information with the taxing officials of the state; and
- (2) it is agreed that the information is to be confidential and to be used solely for tax collection purposes.

(c) The information described in subsection (a) relating to a person on public welfare or a person who has made application for public welfare may be revealed to the director of the division of family resources, and to any director of a county office of family and children located in Indiana, upon receipt of a written request from either director for the information. The information shall be treated as confidential by the directors. In addition, the information described in subsection (a) relating to a person who has been designated as an absent parent by the state Title IV-D agency shall be made available to the state Title IV-D agency upon request. The information shall be subject to the

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information safeguarding provisions of the state and federal Title IV-D programs.

(d) The name, address, Social Security number, and place of employment relating to any individual who is delinquent in paying educational loans owed to a postsecondary educational institution may be revealed to that institution if it provides proof to the department that the individual is delinquent in paying for educational loans. This information shall be provided free of charge to approved postsecondary educational institutions (as defined by IC 21-7-13-6(a)). The department shall establish fees that all other institutions must pay to the department to obtain information under this subsection. However, these fees may not exceed the department's administrative costs in providing the information to the institution.

(e) The information described in subsection (a) relating to reports submitted under IC 6-6-1.1-502 concerning the number of gallons of gasoline sold by a distributor and IC 6-6-2.5 concerning the number of gallons of special fuel sold by a supplier and the number of gallons of special fuel exported by a licensed exporter or imported by a licensed transporter may be released by the commissioner upon receipt of a written request for the information.

(f) The information described in subsection (a) may be revealed upon the receipt of a written request from the administrative head of a state agency of Indiana when:

- (1) the state agency shows an official need for the information; and
- (2) the administrative head of the state agency agrees that any information released will be kept confidential and will be used solely for official purposes.

(g) The name and address of retail merchants, including township, as specified in IC 6-2.5-8-1(j) may be released solely for tax collection purposes to township assessors and county assessors.

(h) The department shall notify the appropriate innkeepers' tax board, bureau, or commission that a taxpayer is delinquent in remitting innkeepers' taxes under IC 6-9.

(i) All information relating to the delinquency or evasion of the motor vehicle excise tax may be disclosed to the bureau of motor vehicles in Indiana and may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.

(j) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be

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disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

(k) All information relating to the delinquency or evasion of commercial vehicle excise taxes payable under the International Registration Plan may be disclosed to another state, if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.5.

**(l) All information relating to the delinquency or evasion of the excise taxes imposed on recreational vehicles and truck campers that are payable to the bureau of motor vehicles in Indiana may be disclosed to the bureau and may be disclosed to another state if the information is disclosed for the purpose of the enforcement and collection of the taxes imposed by IC 6-6-5.1.**

~~(m)~~ (m) This section does not apply to:

- (1) the beer excise tax (IC 7.1-4-2);
- (2) the liquor excise tax (IC 7.1-4-3);
- (3) the wine excise tax (IC 7.1-4-4);
- (4) the hard cider excise tax (IC 7.1-4-4.5);
- (5) the malt excise tax (IC 7.1-4-5);
- (6) the motor vehicle excise tax (IC 6-6-5);
- (7) the commercial vehicle excise tax (IC 6-6-5.5); and
- (8) the fees under IC 13-23.

~~(m)~~ (n) The name and business address of retail merchants within each county that sell tobacco products may be released to the division of mental health and addiction and the alcohol and tobacco commission solely for the purpose of the list prepared under IC 6-2.5-6-14.2.

SECTION 6. IC 6-8.1-9-1, AS AMENDED BY P.L.211-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) If a person has paid more tax than the person determines is legally due for a particular taxable period, the person may file a claim for a refund with the department. Except as provided in subsections (f) and (g), in order to obtain the refund, the person must file the claim with the department within three (3) years after the latter of the following:

- (1) The due date of the return.
- (2) The date of payment.

For purposes of this section, the due date for a return filed for the state gross retail or use tax, the gasoline tax, the special fuel tax, the motor carrier fuel tax, the oil inspection fee, or the petroleum severance tax is the end of the calendar year which contains the taxable period for which the return is filed. The claim must set forth the amount of the

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refund to which the person is entitled and the reasons that the person is entitled to the refund.

(b) When the department receives a claim for refund, the department shall consider the claim for refund and shall, if the taxpayer requests, hold a hearing on the claim for refund to obtain and consider additional evidence. After considering the claim and all evidence relevant to the claim, the department shall issue a decision on the claim, stating the part, if any, of the refund allowed and containing a statement of the reasons for any part of the refund that is denied. The department shall mail a copy of the decision to the person who filed the claim. If the department allows the full amount of the refund claim, a warrant for the payment of the claim is sufficient notice of the decision.

(c) If the person disagrees with any part of the department's decision, the person may appeal the decision, regardless of whether or not the person protested the tax payment or whether or not the person has accepted a refund. The person must file the appeal with the tax court. The tax court does not have jurisdiction to hear a refund appeal suit, if:

- (1) the appeal is filed more than three (3) years after the date the claim for refund was filed with the department;
- (2) the appeal is filed more than ninety (90) days after the date the department mails the decision of denial to the person; or
- (3) the appeal is filed both before the decision is issued and before the one hundred eighty-first day after the date the person files the claim for refund with the department.

(d) The tax court shall hear the appeal de novo and without a jury, and after the hearing may order or deny any part of the appealed refund. The court may assess the court costs in any manner that it feels is equitable. The court may enjoin the collection of any of the listed taxes under IC 33-26-6-2. The court may also allow a refund of taxes, interest, and penalties that have been paid to and collected by the department.

(e) With respect to the motor vehicle excise tax, this section applies only to penalties and interest paid on assessments of the motor vehicle excise tax. Any other overpayment of the motor vehicle excise tax is subject to IC 6-6-5.

(f) If a taxpayer's federal income tax liability for a taxable year is modified by the Internal Revenue Service, and the modification would result in a reduction of the tax legally due, the due date by which the taxpayer must file a claim for refund with the department is the later of:

- (1) the date determined under subsection (a); or
- (2) the date that is six (6) months after the date on which the

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taxpayer is notified of the modification by the Internal Revenue Service.

(g) If an agreement to extend the assessment time period is entered into under ~~IC 6-8.1-5-2(f)~~, **IC 6-8.1-5-2(g)**, the period during which a person may file a claim for a refund under subsection (a) is extended to the same date to which the assessment time period is extended.

SECTION 7. IC 6-8.1-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. (a) If a person fails to file a return or to make a full tax payment with that return with the fraudulent intent of evading the tax, the person is subject to a penalty.

(b) The amount of the penalty imposed for a fraudulent failure described in subsection (a) is one hundred percent (100%) multiplied by:

- (1) the full amount of the tax, if the person failed to file a return; or
- (2) the amount of the tax that is not paid, if the person failed to pay the full amount of the tax.

(c) In addition to the civil penalty imposed under this section, a person who knowingly fails to file a return with the department or fails to pay the tax due under IC 6-6-5, **IC 6-6-5.1**, or IC 6-6-5.5 commits a Class A misdemeanor.

(d) The penalty imposed under this section is imposed in place of and not in addition to the penalty imposed under section 2.1 of this chapter.

SECTION 8. IC 9-14-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 4. The commissioner shall appoint and fix, subject to the approval of the governor, the salaries of the deputies, subordinate officers, clerks, and other employees necessary to carry out this title, IC 6-6-5, **IC 6-6-5.1**, IC 6-6-5.5, and IC 6-6-11.

SECTION 9. IC 9-17-2-1, AS AMENDED BY P.L.219-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) This section does not apply to an off-road vehicle that is at least five (5) model years old.

(b) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must obtain a certificate of title for all vehicles owned by the person that:

- (1) are subject to the motor vehicle excise tax under IC 6-6-5; or
- (2) are off-road vehicles;

and that will be operated in Indiana.

(c) Within sixty (60) days after becoming an Indiana resident, a

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person shall obtain a certificate of title for all commercial vehicles owned by the person that:

- (1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;
- (2) are not subject to proportional registration under the International Registration Plan; and
- (3) will be operated in Indiana.

**(d) Within sixty (60) days after becoming an Indiana resident, a person must obtain a certificate of title for all recreational vehicles owned by the person that:**

- (1) are subject to the excise tax imposed under IC 6-6-5.1; and**
- (2) will be operated in Indiana.**

~~(d)~~ **(e)** A person must produce evidence concerning the date on which the person became an Indiana resident.

SECTION 10. IC 9-18-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 1. (a) Within sixty (60) days ~~of~~ **after** becoming an Indiana resident, a person must register all motor vehicles owned by the person that:

- (1) are subject to the motor vehicle excise tax under IC 6-6-5; and
- (2) will be operated in Indiana.

(b) Within sixty (60) days after becoming an Indiana resident, a person must register all commercial vehicles owned by the person that:

- (1) are subject to the commercial vehicle excise tax under IC 6-6-5.5;
- (2) are not subject to proportional registration under the International Registration Plan; and
- (3) will be operated in Indiana.

**(c) Within sixty (60) days after becoming an Indiana resident, a person must register all recreational vehicles owned by the person that:**

- (1) are subject to the excise tax imposed under IC 6-6-5.1; and**
- (2) will be operated in Indiana.**

~~(c)~~ **(d)** A person must produce evidence concerning the date on which the person became an Indiana resident.

~~(d)~~ **(e)** Except as provided in subsection ~~(c)~~, **(f)**, an Indiana resident must register all motor vehicles operated in Indiana.

~~(e)~~ **(f)** An Indiana resident who has a legal residence in a state that is not contiguous to Indiana may operate a motor vehicle in Indiana for not more than sixty (60) days without registering the motor vehicle in Indiana.

~~(f)~~ **(g)** An Indiana resident who has registered a motor vehicle in Indiana in any previous registration year is not required to register the

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motor vehicle, is not required to pay motor vehicle excise tax under IC 6-6-5 or the commercial vehicle excise tax under IC 6-6-5.5 on the motor vehicle, and is exempt from property tax on the motor vehicle for any registration year in which:

(1) the Indiana resident is:

(A) an active member of the armed forces of the United States;  
and

(B) assigned to a duty station outside Indiana; and

(2) the motor vehicle is not operated inside or outside Indiana.

This subsection may not be construed as granting the bureau authority to require the registration of any vehicle that is not operated in Indiana.

~~(g)~~ (h) When an Indiana resident registers a motor vehicle in Indiana after the period of exemption described in subsection ~~(f)~~, (g), the Indiana resident may submit an affidavit that:

(1) states facts demonstrating that the motor vehicle is a motor vehicle described in subsection ~~(e)~~, (g); and

(2) is signed by the owner of the motor vehicle under penalties of perjury;

as sufficient proof that the owner of the motor vehicle is not required to register the motor vehicle during a registration year described in subsection ~~(f)~~, (g). The commission or bureau may not require the Indiana resident to pay any civil penalty or any reinstatement or other fee that is not also charged to other motor vehicles being registered in the same registration year.

**SECTION 11. [EFFECTIVE JANUARY 1, 2009] (a) The definitions in IC 6-6-5.1, as added by this act, apply throughout this SECTION.**

**(b) IC 6-6-5.1, as added by this act, applies to recreational vehicles registered and truck campers located in Indiana after December 31, 2009.**

**(c) After December 31, 2008, a recreational vehicle or truck camper, except for a recreational vehicle or truck camper held in the inventory of recreational vehicles and truck campers held for sale by a manufacturer, distributor, or dealer in the course of business, may not be assessed as personal property for the purpose of the assessment and levy of personal property taxes.**

**(d) This SECTION expires January 1, 2011.**

**SECTION 12. [EFFECTIVE JANUARY 1, 2009] (a) The definitions in IC 6-6-5.1, as added by this act, apply throughout this SECTION.**

**(b) The bureau shall certify to the department of local government finance the amount of excise tax collected under**

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IC 6-6-5.1, as added by this act, and distributed to each county auditor in calendar year 2010.

(c) Each county auditor shall certify to the department of local government finance the amount of excise tax collected under IC 6-6-5.1, as added by this act, and distributed to each taxing unit in the county in calendar year 2010.

(d) This SECTION expires January 1, 2012.

SECTION 13. [EFFECTIVE JANUARY 1, 2009] (a) For property taxes due and payable in calendar year 2010, the department of local government finance shall make a reduction in the maximum permissible ad valorem property tax levy for each taxing unit to account for the removal of assessed value under IC 6-6-5.1, as added by this act.

(b) For property taxes due and payable in calendar year 2011, a taxing unit may petition the department of local government finance to adjust the taxing unit's maximum permissible ad valorem property tax levy to neutralize the effects of:

- (1) the removal of assessed value under IC 6-6-5.1, as added by this act; and
- (2) the amount of excise taxes collected under IC 6-6-5.1, as added by this act, in calendar year 2010.

An adjustment made under this subsection applies to all subsequent calendar years.

(c) This SECTION expires January 1, 2012."

Renumber all SECTIONS consecutively.

(Reference is to HB 1125 as printed on January 17, 2008.)

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#### COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred House Bill No. 1125, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 19, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 4. IC 6-8-12-1, AS ADDED BY P.L.234-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. As used in this chapter, "eligible entity" means:

- (1) the National Football League and its affiliates; ~~as defined in the National Football League document titled "SUPER BOWL~~

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~~XLV HOST CITY BID SPECIFICATIONS & REQUIREMENTS" dated October 2006; and~~

**(2) the National Collegiate Athletic Association and its affiliates.**

SECTION 5. IC 6-8-12-2, AS ADDED BY P.L.234-2007, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. As used in this chapter, "eligible event" means:

**(1) an event known as the Super Bowl that is conducted after December 31, 2011, by an eligible entity described in section 1(1) of this chapter; or**

**(2) an event known as the Men's Final Four or the Women's Final Four, including the ancillary events associated with the Men's Final Four or the Women's Final Four, that is conducted after December 31, 2011, by an eligible entity described in section 1(2) of this chapter."**

Page 28, between lines 23 and 24, begin a new paragraph and insert: "SECTION 14. IC 9-29-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 3. The service charge for each excise tax collection made under IC 6-6-5, **IC 6-6-5.1**, or IC 6-6-5.5 is eighty-five cents (\$0.85).".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1125 as reprinted January 25, 2008.)

KENLEY, Chairperson

Committee Vote: Yeas 8, Nays 0.

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#### SENATE MOTION

Madam President: I move that Senator Simpson be added as second sponsor of Engrossed House Bill 1125.

KENLEY

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#### SENATE MOTION

Madam President: I move that Engrossed House Bill 1125 be amended to read as follows:

Page 2, between lines 3 and 4, begin a new paragraph and insert:

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"SECTION 2. IC 6-3-1-3.5, AS AMENDED BY P.L.144-2007, SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that

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taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of

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a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal

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income tax purposes.

*(23) Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.*

~~(23)~~ **(24)** *Subtract income that is:*

*(A) exempt from taxation under IC 6-3-2-21.7; and*

*(B) included in the individual's federal adjusted gross income under the Internal Revenue Code.*

**(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.**

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to

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the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

*(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).*

~~(10)~~ (11) Subtract income that is:

(A) exempt from taxation under IC 6-3-2-21.7; and

(B) included in the corporation's taxable income under the Internal Revenue Code.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an

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earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

*(A) exempt from taxation under IC 6-3-2-21.7; and*

*(B) included in the insurance company's taxable income under the Internal Revenue Code.*

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus

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depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus

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depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the taxpayer's taxable income under the Internal Revenue Code.*

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500)."

Page 30, between lines 8 and 9, begin a new paragraph and insert:  
"SECTION 20. [EFFECTIVE JANUARY 1, 2008

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(RETROACTIVE)] IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 2007."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1125 as printed February 13, 2008.)

KENLEY

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### SENATE MOTION

Madam President: I move that Engrossed House Bill 1125 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-1-11, AS AMENDED BY P.L.214-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: Sec. 11. (a) Subject to the limitation contained in subsection (b), "personal property" means:

- (1) nursery stock that has been severed from the ground;
- (2) florists' stock of growing crops which are ready for sale as pot plants on benches;
- (3) billboards and other advertising devices which are located on real property that is not owned by the owner of the devices;
- (4) ~~motor vehicles~~; mobile houses **and** airplanes; ~~boats not subject to the boat excise tax under IC 6-6-11; and trailers not subject to the trailer tax under IC 6-6-5;~~
- (5) foundations (other than foundations which support a building or structure) on which machinery or equipment is installed; and
- (6) all other tangible property (other than real property) which is being:
  - (A) held for sale in the ordinary course of a trade or business;
  - (B) held, used, or consumed in connection with the production of income; or
  - (C) held as an investment.

(b) Personal property does not include the following:

- (1) Commercially planted and growing crops while they are in the ground.
- (2) Computer application software that is not held as inventory (as defined in IC 6-1.1-3-11)."

Page 2, between lines 3 and 4, begin a new line block indented and insert:

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**"(7) Truck bodies (including truck campers), all-terrain vehicles (ATVs), motorhomes, fifth wheel trailers, travel trailers, trailers, snowmobiles, rowboats, canoes, and other nonmotorized boats (other than sail boats).**

SECTION 3. IC 6-1.1-2-7.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009]: **Sec. 7.1. Except as otherwise provided, the bureau of motor vehicles shall adopt rules establishing an excise tax rate for the items listed in section 7(7) of this chapter.**

SECTION 4. IC 6-3-1-3.5, AS AMENDED BY P.L.144-2007, SECTION 3, AS AMENDED BY P.L.211-2007, SECTION 19, AND AS AMENDED BY P.L.223-2007, SECTION 1, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) for taxable years beginning after December 31, 2004, one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code (as effective January 1, 2004); and

(B) five hundred dollars (\$500) for each additional amount

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allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount

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which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to

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the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(23) *Subtract an amount equal to the amount of the taxpayer's qualified military income that was not excluded from the taxpayer's gross income for federal income tax purposes under Section 112 of the Internal Revenue Code.*

~~(23)~~ (24) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the individual's federal adjusted gross income under the Internal Revenue Code.*

**(25) Subtract any amount of a credit (including an advance refund of the credit) that is provided to an individual under 26 U.S.C. 6428 (federal Economic Stimulus Act of 2008) and included in the individual's federal adjusted gross income.**

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made

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under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) Add to the extent required by IC 6-3-2-20 the amount of intangible expenses (as defined in IC 6-3-2-20) and any directly related intangible interest expenses (as defined in IC 6-3-2-20) for the taxable year that reduced the corporation's taxable income (as defined in Section 63 of the Internal Revenue Code) for federal income tax purposes.

*(10) Add an amount equal to any deduction for dividends paid (as defined in Section 561 of the Internal Revenue Code) to shareholders of a captive real estate investment trust (as defined in section 34.5 of this chapter).*

~~(10)~~ **(11)** Subtract income that is:

*(A) exempt from taxation under IC 6-3-2-21.7; and*

*(B) included in the corporation's taxable income under the Internal Revenue Code.*

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable

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under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

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(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(9) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the insurance company's taxable income under the Internal Revenue Code.*

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal

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adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section 168(k) of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(7) *Subtract income that is:*

(A) *exempt from taxation under IC 6-3-2-21.7; and*

(B) *included in the taxpayer's taxable income under the Internal Revenue Code.*

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003,

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assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP FOUR amount and two thousand five hundred dollars (\$2,500).".

Page 29, delete lines 37 through 42.

Page 30, delete lines 1 through 4.

Page 30, line 5, delete "(c)" and insert "(b)".

Page 30, between lines 8 and 9, begin a new paragraph and insert:  
"SECTION 22. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] **IC 6-3-1-3.5, as amended by this act, applies to taxable years beginning after December 31, 2007.**".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1125 as reprinted February 13, 2008.)

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#### SENATE MOTION

Madam President: I move that Engrossed House Bill 1125 be amended to read as follows:

Page 2, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 2. IC 6-2.5-5-41, AS AMENDED BY P.L.235-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 41. (a) As used in this section, "qualified media production" has the meaning set forth in IC 6-3.1-32-5.

(b) Except as provided in ~~subsections~~ **subsection** (d), ~~and (c)~~; a transaction involving tangible personal property is exempt from the state gross retail tax if the person acquiring the property acquires it for the person's direct use in a qualified media production in Indiana after December 31, 2006.

(c) For purposes of this section, the following are not considered to be directly used in the production of a qualified media production:

- (1) Food and beverage services.
- (2) A vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.
- (3) Fuel, parts, supplies, or other consumables used in a vehicle

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or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.

(4) Lodging.

(5) Packaging materials.

(d) A person is not entitled to an exemption under this section with respect to a transaction involving tangible personal property that is:

(1) a qualified production expenditure (as defined in IC 6-3.1-32-6) for which a tax credit is claimed under IC 6-3.1-32; or

(2) acquired for direct use in a qualified media production in Indiana if the transaction occurs after December 31, ~~2008~~ 2011.

Page 2, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 4. IC 6-3.1-32-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. As used in this chapter, "affiliated group" means any combination of the following:**

(1) **An affiliated group within the meaning provided in Section 1504 of the Internal Revenue Code (except that the ownership percentage in Section 1504(a)(2) of the Internal Revenue Code shall be determined using fifty percent (50%) instead of eighty percent (80%)) or a pass through entity if a member of the affiliated group is a shareholder, partner, or member of the pass through entity and the member of the affiliated group is entitled to at least fifty percent (50%) of the distributive income or loss of the pass through entity.**

(2) **Two (2) or more partnerships (as defined in IC 6-3-1-19), including limited liability companies and limited liability partnerships, that have the same degree of mutual ownership as an affiliated group described in subdivision (1), as determined under rules adopted by the department.**

SECTION 5. IC 6-3.1-32-6, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) As used in this chapter, "qualified production expenditure" means any of the following expenses incurred in Indiana or expenditures in Indiana made in the direct production of a qualified media production in Indiana:

(1) The payment of wages, salaries, and benefits to Indiana residents.

(2) Acquisition costs for a story or scenario used in the qualified media production.

(3) Acquisition costs for locations, sets, wardrobes, and

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accessories.

(4) Expenditures for materials used to make sets, wardrobes, and accessories.

(5) Expenditures for photography, sound synchronization, lighting, and related services.

(6) Expenditures for editing and related services.

(7) Facility and equipment rentals.

~~(8) Food and lodging.~~

~~(9)~~ **(8)** Legal services if purchased from an attorney licensed to practice law in Indiana.

~~(10) Any other production expenditure for which taxes are assessed or imposed by the state.~~

(b) The term does not include expenditures for payments of wages, salaries, or benefits to an individual who is a director, a producer, a screenwriter, or an actor (excluding extras), unless the individual is a resident of Indiana.

SECTION 6. IC 6-3.1-32-8, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. As used in this chapter, "taxpayer" means an individual, **affiliated group**, or entity that has any state tax liability.

SECTION 7. IC 6-3.1-32-9, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. A qualified applicant that

(1) incurs or makes qualified production expenditures; ~~of:~~

~~(A) at least one hundred thousand dollars (\$100,000); in the case of a qualified media production described in section 5(a)(1) of this chapter; or~~

~~(B) at least fifty thousand dollars (\$50,000); in the case of a qualified media production described in section 5(a)(2); 5(a)(3); 5(a)(4); or 5(a)(5) of this chapter; and~~

(2) satisfies the requirements of this chapter;

is entitled to a **refundable** tax credit as provided in this chapter.

SECTION 8. IC 6-3.1-32-10, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 10. This section applies to a taxpayer that claims qualified production expenditures of less than ~~six two~~ million dollars ~~(\$6,000,000)~~ **(\$2,000,000)** in a taxable year for purposes of the tax credit under this chapter. **Subject to section 14 of this chapter**, the amount of the tax credit to which a taxpayer is entitled under this chapter equals **the lesser of:**

**(1)** the product of:

~~(1)~~ **(A)** fifteen percent (15%); multiplied by

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~~(2)~~ **(B)** the amount of the taxpayer's qualified production expenditures in the taxable year; **or**

**(2) five thousand dollars (\$5,000).**

SECTION 9. IC 6-3.1-32-11, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. This section applies to a taxpayer that claims qualified production expenditures of at least ~~six~~ **two** million dollars ~~(\$6,000,000)~~ **(\$2,000,000)** in a taxable year for purposes of the tax credit under this chapter. **Subject to section 14 of this chapter**, if the corporation approves the granting of a tax credit to the taxpayer under section 13 of this chapter, the amount of the tax credit to which the taxpayer is entitled under this chapter equals the product of:

- (1) the percentage determined by the corporation under section 13 of this chapter; multiplied by
- (2) the amount of the taxpayer's qualified production expenditures in the taxable year.

SECTION 10. IC 6-3.1-32-14, AS ADDED BY P.L.235-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 14. ~~If~~ The amount of the tax credit provided under this chapter to a taxpayer in a taxable year ~~exceeds~~ **may not exceed** the taxpayer's state tax liability for that taxable year. ~~the A~~ taxpayer is **not** entitled to a **carryback, carryover, or** refund of ~~the excess. any unused credit.~~

Renumber all SECTIONS consecutively.

(Reference is to EHB 1125 as printed February 13, 2008.)

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